

COMPREHENSIVE ANNUAL FINANCIAL REPORT
BEDFORD COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016



DIVISION OF LOCAL GOVERNMENT AUDIT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
BEDFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2016

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Finance Director
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This financial report is available at www.comptroller.tn.gov

BEDFORD COUNTY, TENNESSEE

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Summary of Audit Findings

Comprehensive Annual Financial Report
Bedford County, Tennessee
For the Year Ended June 30, 2016

Scope

We have audited the basic financial statements of Bedford County as of and for the year ended June 30, 2016.

Results

Our report on Bedford County's financial statements is unmodified.

Our audit resulted in no findings.

INTRODUCTORY SECTION



BEDFORD COUNTY, TENNESSEE

Letter of Transmittal

October 4, 2016

To the Honorable Eugene Ray, County Mayor,
Board of County Commissioners, and Citizens of
Bedford County, Tennessee

The Comprehensive Annual Financial Report of Bedford County, Tennessee, for the year ended June 30, 2016, is hereby submitted as required by state statutes. These statutes require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the State of Tennessee's Comptroller of the Treasury, Division of Local Government Audit, or by independent public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Bedford County, Tennessee. This report was prepared by the county's Finance Department in conjunction with the above state agency.

Management assumes full responsibility for the completeness and reliability of all the information contained in this report based upon a comprehensive internal control framework that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The State of Tennessee's Comptroller of the Treasury, Division of Local Government Audit has issued an unmodified ("clean") opinion on the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2016. The independent auditor's report is presented at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Bedford County was established on December 4, 1807, by Public Act of the State of Tennessee. The county is named after Thomas Bedford, Jr., an American Revolutionary War hero. One odd fact about Bedford County is that, if the state senate journal is accurate, in the rush of business to pass the bill to create the county, the state senate failed to read and adopt the bill on three readings on three separate days, which was required by state constitutional provisions to create a Tennessee county. Bedford County is in the southern middle part of the state and borders Rutherford, Lincoln, Coffee, Moore, and Marshall counties. The county has a land mass of approximately 303,148 acres (474 square miles) and serves an estimated population of 47,183.

Bedford County operates as a political subdivision of the state as provided by the Tennessee Constitution. Bedford County, as a political subdivision of the state, is subject to control by the Tennessee General Assembly, and the county has no authority except that expressly given by state statutes. Bedford County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Bedford County operates under a County Mayor – County Commission form of government as provided by state statutes. The Bedford County Commission consists of an 18-member board elected in nine districts within the county. Policymaking and legislative authority is vested in the Bedford County Commission. The County Commission is responsible for various tasks, including but not limited to, adopting the annual budget, setting the property tax levy, appointing various boards and committees, and passing local ordinances. The county mayor is popularly elected for a four-year term and is the county's manager and chief financial officer. He is responsible for carrying out policies and ordinances of the County Commission, overseeing the day-to-day operations of the government, and appointing or recommending for appointment various department heads. In addition, he serves as chairperson of the County Commission and as a member of most committees.

Bedford County provides a full range of essential services, including police and fire protection; solid waste disposal; emergency medical services; emergency management planning; and construction and maintenance of highways, streets, and other infrastructure. Bedford County also is financially responsible for a legally separate school district, which is reported separately within its financial statements. Additional information on this legally separate entity along with the county's other discretely presented component unit can be found in Note I.A. in the notes to the financial statements.

Bedford County is required to adopt an annual budget in compliance with state statutes. The annual budget serves as the foundation for Bedford County's financial planning and control. As required, each department submits an itemized statement of appropriations needed for the upcoming year to the director of finance. Each fiscal year, the director of finance submits a consolidated budget to the Financial Management Committee. According to Section 5-21-110, *Tennessee Code Annotated*, "in preparing the budget, the budget committee may revise, as it deems necessary, the estimates or requests made by the various department officials, offices, institutions, and agencies of the county, but any county official or employee shall be entitled to a hearing before the budget committee with reference to

any contemplated changes in the county official's or employee's budget requests or estimates." The proposed budget of the Financial Management Committee is published in a paper of general circulation at least ten days before the Financial Management Committee conducts a public hearing on the budget. The county commission may alter or revise the budget before adoption except for debt service. The county commission adopts a budget before the end of July. The county director of finance, upon the request of a department head, except for salary and benefit related line-items, may transfer appropriations between line-items within a department. Transfers of appropriations between line-items, including salary and related line-items, within a department may be made by the Financial Management Committee. Transfers between departments require the approval of the Bedford County Commission.

Local Economy

Bedford County is predominately a manufacturing and agricultural county. Bedford County also ranks high in the number of manufacturing jobs per capita and is one of the largest manufacturing counties in the state. Major industries located within Bedford County's boundaries include a hospital, nursing homes, deep chill processing and perishable food distributor, manufacturers of writing instruments, school supplies, printing and engraving supplies, automobile cooling/heating exhausts, retail stores, and several financial institutions. The school system and Bedford County also have a significant economic presence, employing more than 1,343 teachers, professionals and support staff.

As of June 2016, Bedford County had an estimated labor force of 19,350 with 18,286 employed resulting in a 5.5 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of five percent.

Median household incomes within Bedford County are lower than the state as a whole. According to the latest estimate from the US Census Bureau, the state's median household income was \$44,621 and the county's was \$40,989 in 2014. Bedford County had a population of 47,183. This is an increase of 4.7 percent since the 2010 census. The median price of a single home in Bedford County was \$126,984.

Due to its strong financial position, Bedford County has maintained a credit rating of Aa3 from Moody's Investor Service since 2011, which is the highest bond rating in the history of the county and shows the county has a very strong capacity to meet its financial commitments.

There are many significant factors that will undoubtedly contribute to the continued growth of our economy. One factor is that Bedford County is within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

A study in October 2015 by Middle Tennessee State University concluded that Goodwill Industries of Middle Tennessee has an economic impact of nearly \$17.7 million in Bedford County. Also during October, land for a new industrial park was purchased and developed using funds from the city and county along with a grant from the Tennessee Valley Authority. The park was approved by the state as a “Tennessee Select” site, which certifies to prospective buyers that the site has the proper utilities and infrastructure. The county applied for a Community Development Block Grant (CDBG) application on behalf of Bedford County Utility District. The \$395,000 grant would be used to extend water lines.

Long-term Financial Planning and Major Initiatives

Unassigned fund balance in the general fund at year end was 10.8 percent of total general fund current-year expenditures and exceeds the amount set by policy (three percent of current-year expenditures). The excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

To better serve the needs of the commission and the public, the commission adopted a fund balance policy in the General Debt Service Fund. The policy requires a minimum of three percent of expenditures. The General Debt Service Fund policy requires revenues meet the actual debt requirements. Additionally, the policy of the county requires that at the beginning of each fiscal year, the county will maintain an adequate amount in cash or investments in the Debt Service Fund that will meet cash flow needs. Also, the Bedford County Commission and the Bedford County Financial Management Committee has adopted a county Debt Policy.

Future initiatives include the construction of a Jail, Justice Center and Sheriff’s Office and a new High School at Cascade. Construction is expected to begin in the 2016-17 fiscal year.

Bedford County adopted the County Financial Management System of 1981 in November 2006. This local option law created a county financial management office. In April 2007, the county hired a certified public accountant as its first director of finance. Through great efforts by the director of finance and his staff, the county prepared financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and received its first unqualified financial statement audit in at least 20 years.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bedford County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the sixth consecutive year that Bedford County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the county had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been possible without the skill, effort and dedication of the entire Department of Finance. They are: Lori Schuler, Pat Thomas, Denice Reese, Heidi Farris, Mary Anna Mitchell, Sherrie Armstrong, Colette Bales, and Melissa Brannon. I would also like to thank the staff of the county's Information Technology Department for keeping our accounting system operational. Credit is due to the county mayor and the commission for their unfailing support for maintaining the highest standards of professionalism in the management of Bedford County.

Sincerely,

A handwritten signature in black ink that reads "Robert Daniel". The signature is written in a cursive style with a prominent initial "R".

Robert Daniel, CPA, CGFM
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

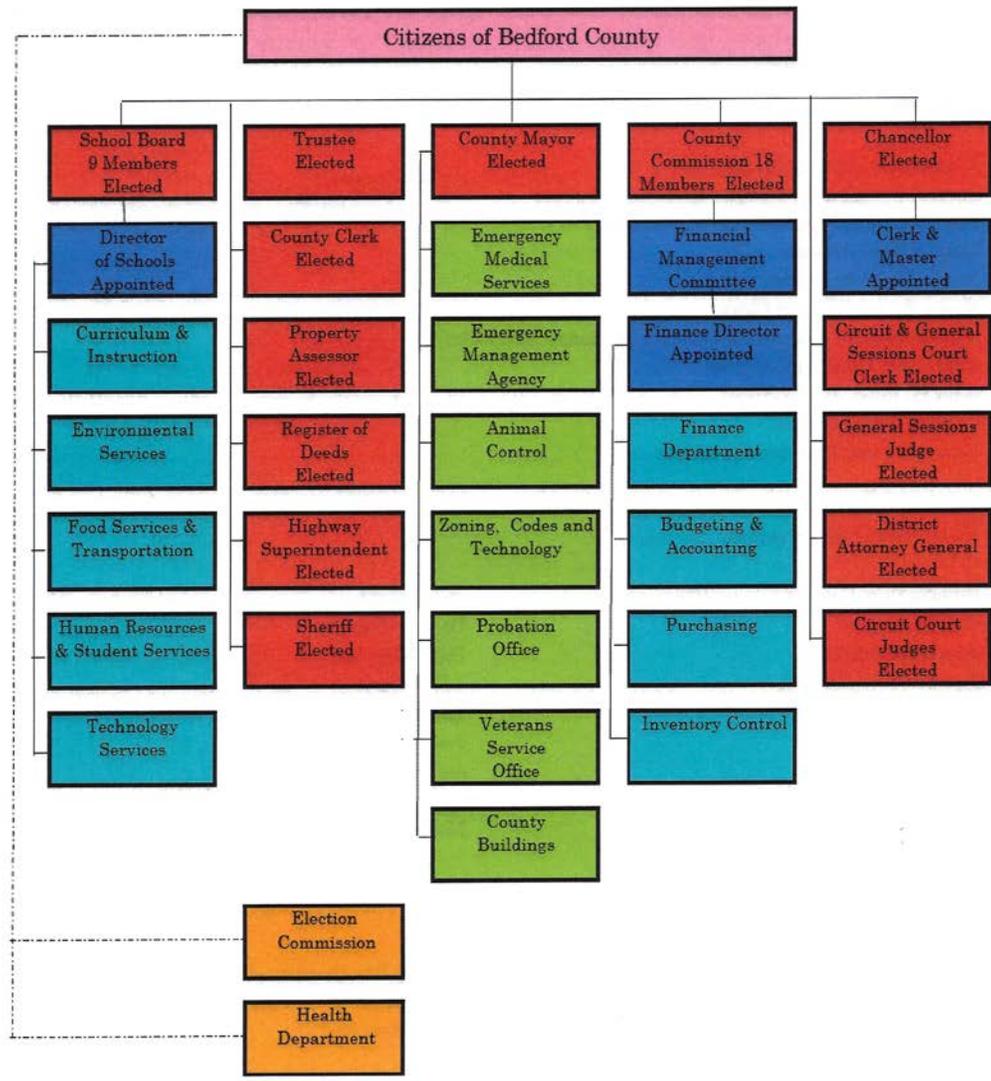
Presented to

**Bedford County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



Note(s):
 ----- : Denotes state appointment

Bedford County Officials
June 30, 2016

Officials

Eugene Ray, County Mayor
Stanley Smotherman, Highway Superintendent
Don Embry, Superintendent of Schools
Tonya Davis, Trustee
Ronda Clanton, Assessor of Property
Donna Thomas, County Clerk
Michelle Murray, Circuit and General Sessions Courts Clerk
Curt Cobb, Clerk and Master
John H. Reed, Jr., Register of Deeds
Austin Swing, Sheriff
Robert Daniel, Director of Finance

Board of County Commissioners

Eugene Ray, County Mayor, Chairman	Tony Smith
Don Gallagher	Julie Sanders
Jimmy Woodson	Billy King, Jr.
Jimmy Patterson	Charles Heflin
Ed Castleman	Linda Yockey
Tony Barrett	William Anderson
Janice Brothers	Jeff Yoes
Bobby Fox	John Brown
Phillip Farrar	Mark Thomas
Bob Davis	

Financial Management Committee

Eugene Ray, County Mayor, Chairman	Jeff Yoes
Stanley Smotherman, Highway Superintendent	Don Gallagher
Don Embry, Superintendent of Schools	Tony Smith
Janice Brothers	

Audit Committee

Joe Tillet, Jr., Chairman	Bailey Little
Virgil Johnson	Bob Garner
Sheila Orrell	George Bruno

(Continued)

Bedford County Officials (Cont.)

Board of Education

Amy Martin, Chairman
Jamie Calvert
Brian Crews
Michael Cook
Diane Neeley

Andrea Anderson
Chad Graham
John Boutwell
Glenn Forsee

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

Independent Auditor's Report

Bedford County Mayor and
Board of County Commissioners
Bedford County, Tennessee

To the County Mayor and County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Emergency Communications District of Bedford County, which represent two percent, two percent, and two percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Emergency Communications District of Bedford County, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing

standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Bedford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23-34 and the schedule of changes in the county's net pension liability and related ratios, schedules of county and school

contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 110-117 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bedford County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department (a discretely presented component unit), miscellaneous schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2016, on our consideration of Bedford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bedford County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 6, 2016

JPW/sb

Bedford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2016

As management for Bedford County, Tennessee, we offer readers of Bedford County's financial statements, this narrative overview and analysis of the financial activities of Bedford County for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of Bedford County exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$1,371,918 (net position). Of this amount, a negative \$31,433,720 represents unrestricted net position.
- Bedford County's total net position increased by \$5,723,690.
- At the close of the current fiscal year, Bedford County's governmental funds reported combined fund balances of \$17,405,104, a decrease of \$397,575 in comparison with the prior year. Approximately 12.8 percent of this amount or \$2,235,071 is available for spending at the county's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$10,336,336, or approximately 54.1 percent of total General Fund expenditures.
- Bedford County's total outstanding long-term debt decreased by \$3,677,000 or approximately 6.6 percent during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Bedford County's basic financial statements. Bedford County's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Bedford County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Bedford County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Bedford County is improving or deteriorating.

The *statement of activities* presents information showing how Bedford County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Bedford County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Bedford County include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highway/public works; education; and interest on long-term debt.

The government-wide financial statements include not only Bedford County government itself (known as the *primary government*), but also a legally separate school system for which the Bedford County government is financially accountable. These statements also include a legally separate E-911 district. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bedford County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bedford County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Bedford County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement

of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, and General Debt Service funds, which are considered to be major funds. Data from the other two governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules of this report.

Bedford County adopts an annual appropriated budget for the primary government's General Fund, most special revenue funds, the General Debt Service Fund, the discretely presented School Department's General Purpose School Fund and special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found in Exhibits C-1 through C-6 of this report.

Proprietary funds. Bedford County does not maintain any proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support Bedford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on Exhibit D of this report.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning pension information and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the required supplementary information. Combining and individual fund statements and schedules can be found in the table of contents.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Bedford County, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,371,918 at the close of the most recent fiscal year. The Constitution for the State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Bedford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the

Bedford County government. As of June 30, 2016, Bedford County had outstanding debt totaling \$45,663,000 for capital purposes of the Bedford County Board of Education, but the capital assets are reported in the financial statements of the Bedford County Board of Education. Bedford County has incurred the related liability significantly decreasing its unrestricted net position without a corresponding increase in the county's capital assets.

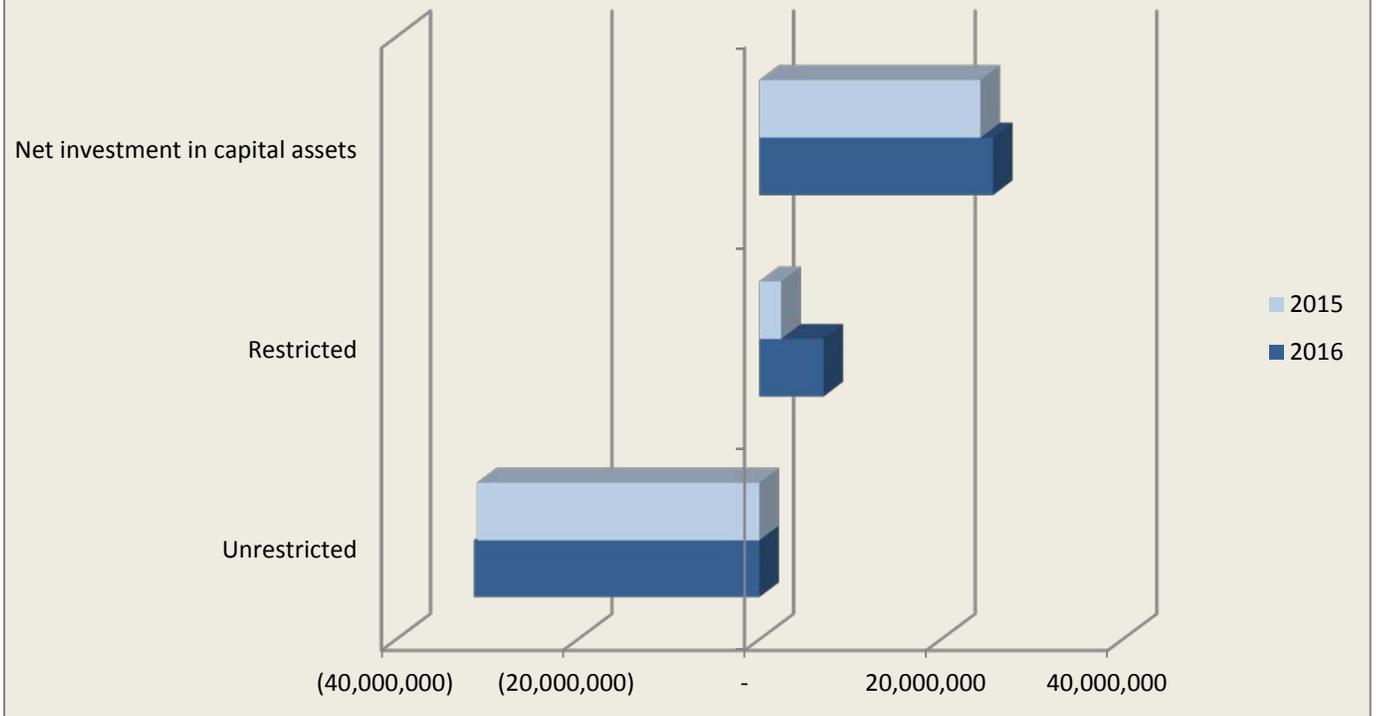
BEDFORD COUNTY'S Net Position

	Governmental	
	Activities	
	2015-16	2014-15
Current and Other Assets	\$ 37,243,378	\$ 34,037,845
Capital Assets	31,875,342	30,800,496
Deferred Outflows of Resources	497,760	495,900
Total Assets and Deferred Outflows	\$ 69,616,480	\$ 65,334,241
Long-term Liabilities	\$ 53,016,664	\$ 56,613,950
Other Liabilities	612,304	1,107,577
Deferred Inflows of Resources	14,615,594	11,964,486
Total Liabilities and Deferred Inflows	\$ 68,244,562	\$ 69,686,013
Net Position:		
Net Investment in Capital Assets	\$ 25,735,342	\$ 24,345,496
Restricted	7,070,296	4,631,407
Unrestricted	(31,433,720)	(33,328,675)
Total Net Position	\$ 1,371,918	\$ (4,351,772)

By far, the largest portion of Bedford County's net position totaling \$25,735,342 reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt used to acquire those assets. Bedford County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although Bedford County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Bedford County's net position totaling \$7,070,296 represents resources that are subject to external restrictions on how they may be used. Any balance remaining is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

BEDFORD COUNTY'S Net Position June 30, 2015 and 2016

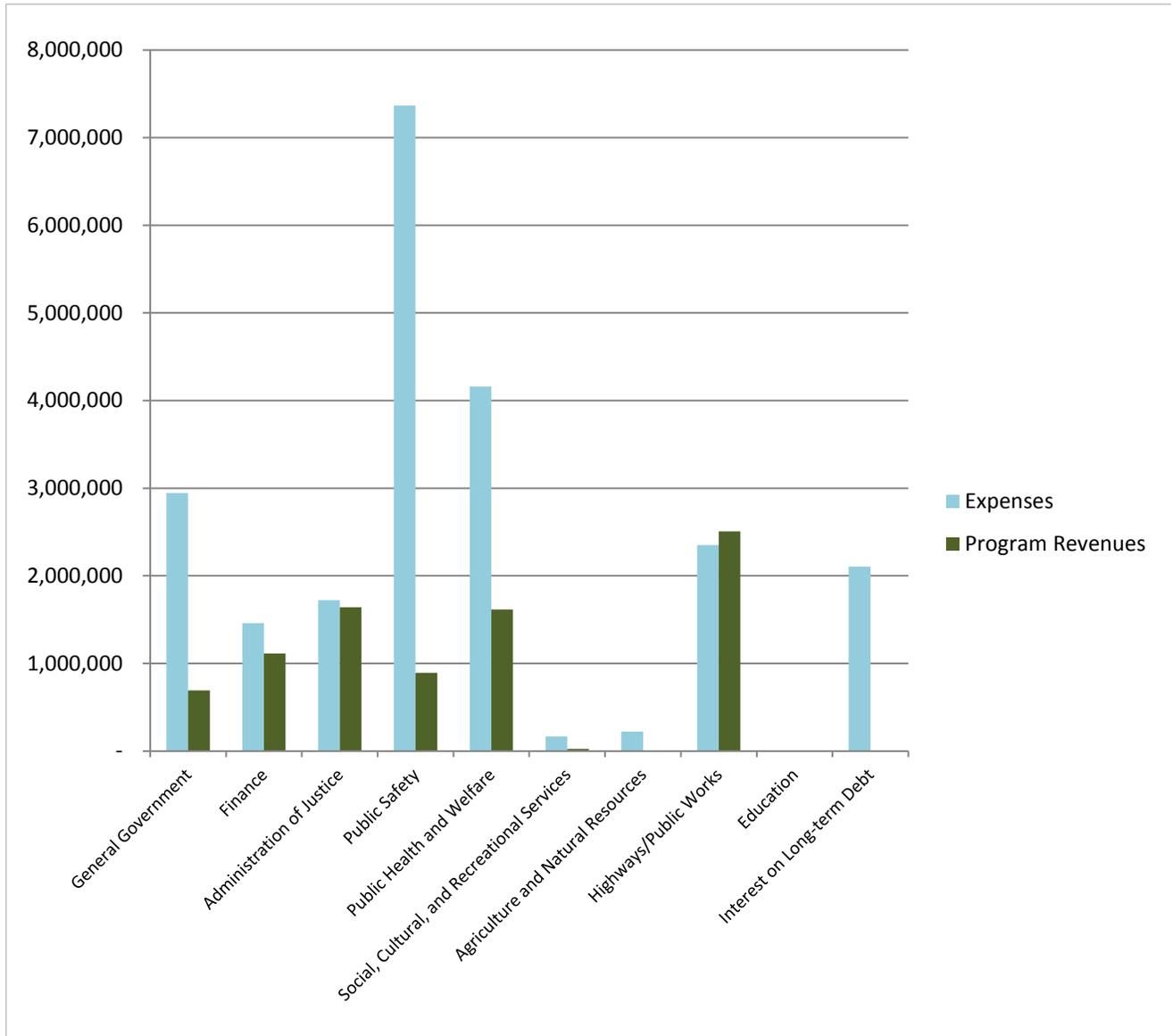


Governmental activities. During the current fiscal year, net position for governmental activities increased \$5,723,690 from the prior fiscal year for an ending balance of \$1,371,918.

BEDFORD COUNTY'S Changes in Net Position

	Governmental Activities	
	2015-16	2014-15
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,478,289	\$ 6,222,177
Operating Grants and Contributions	2,749,921	2,515,105
Capital Grants and Contributions	270,665	355,635
General Revenues:		
Property Taxes	10,531,027	10,367,833
Local Option Sales Taxes	6,090,675	5,777,154
Other Taxes	1,503,590	1,270,682
Grants and Contributions Not Restricted to Specific Programs	1,251,690	921,801
Pension Income	0	378,711
Unrestricted Investment Earnings	91,060	39,737
Miscellaneous	269,471	247,676
Total Revenues	<u>\$ 28,236,388</u>	<u>\$ 28,096,511</u>
Expenses:		
General Government	\$ 2,942,928	\$ 2,805,033
Finance	1,460,777	1,599,186
Administration of Justice	1,722,830	1,795,328
Public Safety	7,366,168	7,786,605
Public Health and Welfare	4,159,809	4,472,045
Social, Cultural, and Recreational Services	167,090	1,189,722
Agriculture and Natural Resources	223,972	297,833
Highway/Public Works	2,352,222	2,481,031
Education (Payment to CU)	10,503	2,353,808
Interest on Long-term Debt	2,106,399	0
Total Expenses	<u>\$ 22,512,698</u>	<u>\$ 24,780,591</u>
Increase (Decrease) in Net Position	\$ 5,723,690	\$ 3,315,920
Prior-period Restatement	0	1,359,566
Net position, July 1	<u>(4,351,772)</u>	<u>(9,027,258)</u>
Net position, June 30	<u>\$ 1,371,918</u>	<u>\$ (4,351,772)</u>

Expenses and Program Revenues – Governmental Activities

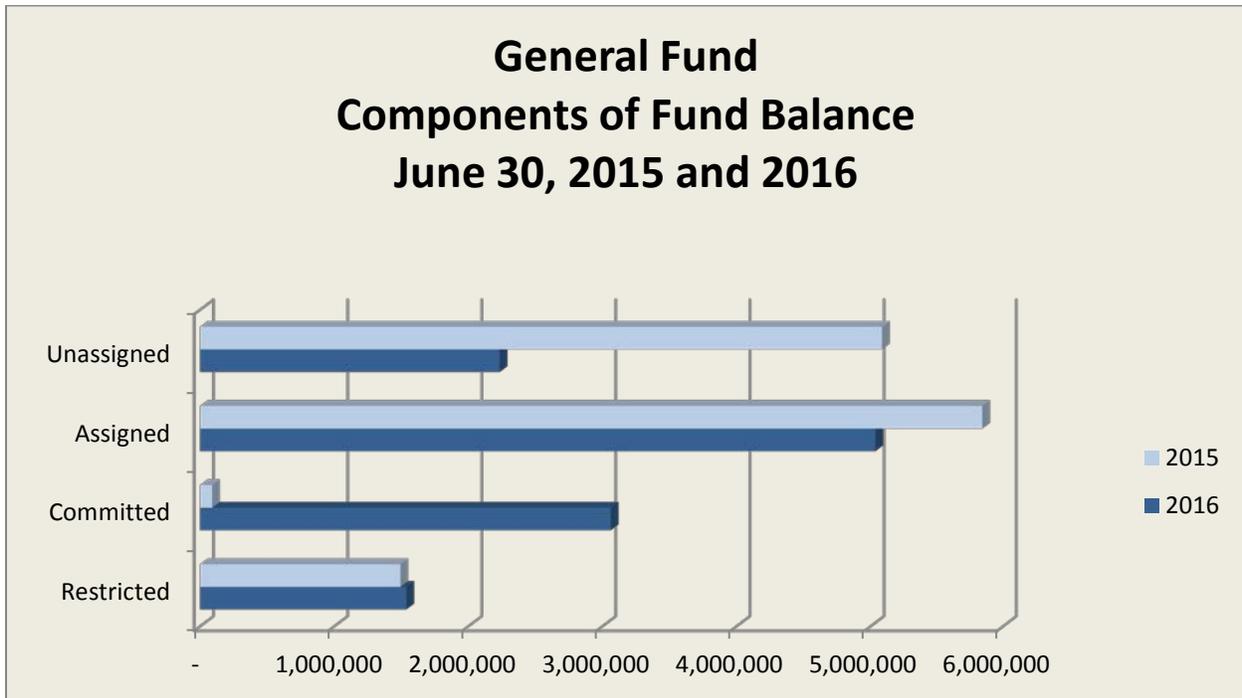


Financial Analysis of the Government’s Funds

As noted earlier, Bedford County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

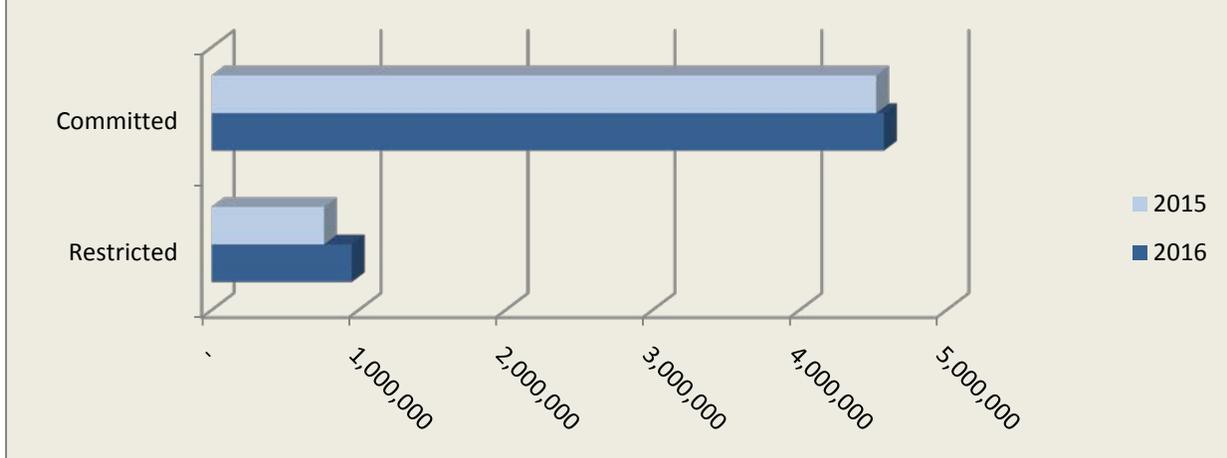
Governmental funds. The focus of Bedford County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bedford County government’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, Bedford County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Bedford County Commission.

At June 30, 2016, Bedford County’s governmental funds reported combined ending fund balances of \$17,405,104, a decrease of \$397,575, in comparison with the prior year. Approximately 12.8 percent of this amount or \$2,235,071 constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either restricted, committed, or assigned to indicate that it is 1) restricted for particular purposes (\$2,493,704); 2) committed for particular purposes (\$7,638,882); or 3) assigned for particular purposes (\$5,037,447).



The General Fund is the chief operating fund of Bedford County. At the end of the current fiscal year, unassigned fund balance was \$2,235,071, while total fund balance decreased to \$11,875,734. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 11.7 percent of total General Fund expenditures, while total fund balance represents approximately 62.2 percent of that same amount.

Other Governmental Funds Components of Fund Balance June 30, 2015 and 2016



The fund balance of Bedford County’s General Fund decreased by \$639,101 during the current fiscal year. As discussed earlier in connection with governmental activities, the decrease was primarily due to the purchase of capital assets.

The General Debt Service Fund had an increase in fund balance during the current year of \$1,039,324 to bring the year-end fund balance to \$4,575,064. This increase was primarily due to a reduction of outstanding debt balances.

General Fund Budgetary Highlights

Original budget compared to final budget. During the fiscal year, there were increases to original estimated revenues and original budgeted appropriations. The increase in estimated revenues was not significant except for an increase in other local taxes and other local revenues, which was increased by \$510,000 and \$120,764, respectively. Generally, the movement of the appropriations between the departments was not significant. The exceptions were the appropriation for the Sheriff’s Department in the public safety function, which was increased by \$462,410 and for the Ambulance/Emergency Medical Services in the Public Health and Welfare function, which was increased by \$103,034.

The increase in the Sheriff’s Department budget was primarily due to the purchase of additional vehicles and law enforcement equipment, and jail renovations. The increase in Ambulance/Emergency Medical Services was due to an additional ambulance remount.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues in the final budget were in charges for current services of \$323,674 and fees received from county officials with \$282,966 more than anticipated.

At the close of the fiscal year, General Fund revenues were \$684,909 more than budgetary estimates. This favorable variance was due primarily to conservative budget estimates for local taxes in anticipation of the current appeals.

A review of actual expenditures compared with the appropriations in the final budget yields no significant variances. At the close of the fiscal year, actual expenditures and encumbrances were \$2,059,749 less than budgetary estimates. Most of the unspent appropriation is in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnovers, appropriations are normally left unspent in those cost categories. Since public safety and public health and welfare have most of the full-time employment, these functions typically will have more unspent appropriations than the other functions.

Capital Assets and Debt Administration

Capital assets. Bedford County’s investment in capital assets for its governmental funds as of June 30, 2016, totals \$31,875,342, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highways, and bridges). The total increase in capital assets for the current fiscal year was approximately 3.5 percent.

Bedford County’s Capital Assets
(net of depreciation)

	Governmental Activities	
	2016	2015
Land	\$ 867,300	\$ 867,300
Construction in Progress	19,987	0
Buildings and Improvements	6,744,157	7,028,023
Other Capital Assets	1,985,931	1,980,667
Infrastructure	22,257,967	20,924,506
Total	\$ 31,875,342	\$ 30,800,496

Major capital asset increases during the current fiscal year included the following:

- Roads/Infrastructure totaling \$1,333,461.

Additional information on Bedford County’s capital assets can be found in Note IV.B. of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, Bedford County government had total debt outstanding of \$51,803,000. All debt is backed by the full faith and credit of the government.

Bedford County’s Outstanding Debt

	Governmental Activities	
	2016	2015
General Obligation Bonds	\$ 49,195,000	\$ 52,265,000
Notes Payable	1,985,000	2,000,000
Other Debt Payable	623,000	1,215,000
Total	\$ 51,803,000	\$ 55,480,000

Bedford County’s total debt decreased by \$3,677,000 (6.6 percent) during the current fiscal year.

Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. Bedford County’s bond rating from Moody’s Investor Services was affirmed at Aa3 in October 2011.

Additional information on Bedford County government’s long-term debt can be found in Exhibits J-1, J-2, and Note IV.D. of this report.

Economic Factors and Next Year’s Budget and Rates

The following economic factors currently affect Bedford County and were considered in developing the 2016-17 fiscal year budget.

- The unemployment rate for Bedford County is currently 5.5 percent, which is 2.0 percent less than the rate as a year ago. Even if the unemployment rate should decrease, it is not expected to reach the pre-recession level for several years.
- Bedford County has experienced an upturn in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, building related permit fees, and an increase in local option sales tax collections.
- Interest rates are expected to remain at low levels throughout fiscal year 2016-17.
- Bedford County’s estimated daytime population is 41,624 persons a day, requiring 24-hour services for residents and non-residents alike.

Request for Information

This financial report is designed to provide a general overview of Bedford County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bedford County Director of Finance, 200 Dover Street, Suite 102, Shelbyville, TN 37160.

BASIC FINANCIAL STATEMENTS

Exhibit A

Bedford County, Tennessee
Statement of Net Position
June 30, 2016

	Primary Governmental Activities	Component Units	
		Bedford County School Department	Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 555	\$ 4,463	\$ 1,505,744
Equity in Pooled Cash and Investments	16,132,190	16,824,908	0
Inventories	0	50,073	0
Accounts Receivable	2,204,448	28,463	0
Allowance for Uncollectibles	(1,421,812)	(1,751)	0
Due from Other Governments	1,982,776	901,500	0
Due from Primary Government	0	0	23,438
Property Taxes Receivable	14,180,002	8,965,818	0
Allowance for Uncollectible Property Taxes	(278,450)	(197,216)	0
Prepaid Items	0	0	33,768
Net Pension Asset - Agent Plan	4,443,669	3,004,519	118,916
Net Pension Asset - Teacher Retirement Plan	0	30,518	0
Restricted Assets	0	0	100
Capital Assets:			
Assets Not Depreciated:			
Land	867,300	2,775,891	0
Construction in Progress	19,987	151,190	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	6,744,157	79,501,633	0
Other Capital Assets	1,985,931	3,520,761	380,180
Infrastructure	22,257,967	0	0
Total Assets	<u>\$ 69,118,720</u>	<u>\$ 115,560,770</u>	<u>\$ 2,062,146</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Contributions after Measurement Date	\$ 497,760	\$ 2,843,866	\$ 19,328
Pension Changes in Experience	0	236,237	0
Pension Changes in Proportionate Share of NPL	0	114,787	4,612
Total Deferred Outflows of Resources	<u>\$ 497,760</u>	<u>\$ 3,194,890</u>	<u>\$ 23,940</u>

(Continued)

Exhibit A

Bedford County, Tennessee
Statement of Net Position (Cont.)

	Primary Governmental Activities	Component Units	
		Bedford County School Department	Emergency Communications District
<u>LIABILITIES</u>			
Accounts Payable	\$ 182,061	\$ 80,233	\$ 0
Accrued Payroll	0	1,567	14,981
Accrued Interest Payable	401,603	0	0
Compensated Absences Payable	0	0	19,378
Payroll Deductions Payable	359	978,852	3,253
Due to Component Units	23,438	0	0
Due to State of Tennessee	4,843	0	0
Noncurrent Liabilities:			
Due Within One Year	3,600,898	0	0
Due in More Than One Year	49,415,766	1,131,746	0
Total Liabilities	<u>\$ 53,628,968</u>	<u>\$ 2,192,398</u>	<u>\$ 37,612</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 13,539,180	\$ 8,472,906	\$ 0
Pension Changes in Experience	719,562	5,078,220	19,256
Pension Changes in Investment Earnings	356,852	2,139,298	9,550
Pension Changes in Proportionate Share of NPL	0	126,318	5,950
Total Deferred Inflows of Resources	<u>\$ 14,615,594</u>	<u>\$ 15,816,742</u>	<u>\$ 34,756</u>

(Continued)

Exhibit A

Bedford County, Tennessee
Statement of Net Position (Cont.)

	Primary Governmental Activities	Component Units	
		Bedford County School Department	Emergency Communications District
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 25,735,342	\$ 85,949,475	\$ 380,180
Restricted for:			
General Government	42,164	0	0
Finance	26,058	0	0
Administration of Justice	1,247,741	0	0
Public Safety	62,078	0	0
Public Health and Welfare	186,348	0	0
Other Purposes	4,443,669	0	118,916
Highway/Public Works	1,062,238	0	0
Education	0	4,450,967	0
Unrestricted	(31,433,720)	10,346,078	1,514,622
Total Net Position	<u>\$ 1,371,918</u>	<u>\$ 100,746,520</u>	<u>\$ 2,013,718</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Bedford County, Tennessee
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units	
						Bedford County School Department	Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 2,942,928	\$ 663,218	\$ 29,971	\$ 0	\$ (2,249,739)	\$ 0	\$ 0
Finance	1,460,777	1,113,803	0	0	(346,974)	0	0
Administration of Justice	1,722,830	1,634,501	9,000	0	(79,329)	0	0
Public Safety	7,366,168	774,181	119,271	0	(6,472,716)	0	0
Public Health and Welfare	4,159,809	1,175,838	439,754	0	(2,544,217)	0	0
Social, Cultural, and Recreational Services	167,090	20,468	4,137	0	(142,485)	0	0
Agriculture and Natural Resources	223,972	7,400	0	0	(216,572)	0	0
Highways	2,352,222	88,880	2,147,788	270,665	155,111	0	0
Education	10,503	0	0	0	(10,503)	0	0
Interest on Long-term Debt	2,106,399	0	0	0	(2,106,399)	0	0
Total Primary Government	\$ 22,512,698	\$ 5,478,289	\$ 2,749,921	\$ 270,665	\$ (14,013,823)	\$ 0	\$ 0
Component Units:							
Bedford County School Department	\$ 62,713,933	\$ 818,230	\$ 8,636,594	\$ 0	\$ 0	\$ (53,259,109)	\$ 0
Emergency Communications District	948,760	623,492	1,563	0	0	0	(323,705)
Total Component Units	\$ 63,662,693	\$ 1,441,722	\$ 8,638,157	\$ 0	\$ 0	\$ (53,259,109)	\$ (323,705)

(Continued)

Exhibit B

Bedford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units	
						Bedford County School Department	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 9,688,439	\$ 8,593,180	\$ 0	\$ 0
Property Taxes Levied for Debt Service				842,588	0	0	0
Local Option Sales Tax				6,090,675	2,240,465	0	0
Business Tax				447,762	0	0	0
Litigation Tax - General				189,359	0	0	0
Wholesale Beer Tax				188,933	0	0	0
Adequate Facilities/Development Tax				232,578	0	0	0
Litigation Tax - Courtroom Security				99,575	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				90,519	0	0	0
Mineral Severance Tax				122,277	0	0	0
Other Local Taxes				132,587	28,559	0	0
Grants and Contributions Not Restricted to Specific Programs				1,251,690	45,407,991	405,813	
Unrestricted Investment Income				91,060	902	2,615	
Miscellaneous				269,471	81,789	816	
Total General Revenues				<u>\$ 19,737,513</u>	<u>\$ 56,352,886</u>	<u>\$ 409,244</u>	
Change in Net Position				\$ 5,723,690	\$ 3,093,777	\$ 85,539	
Net Position, July 1, 2015				<u>(4,351,772)</u>	<u>97,652,743</u>	<u>1,928,179</u>	
Net Position, June 30, 2016				<u>\$ 1,371,918</u>	<u>\$ 100,746,520</u>	<u>\$ 2,013,718</u>	

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Bedford County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Drug Control	
<u>ASSETS</u>					
Cash	\$ 555	\$ 0	\$ 0	\$ 0	\$ 555
Equity in Pooled Cash and Investments	11,345,261	688,744	4,069,542	28,643	16,132,190
Accounts Receivable	2,057,505	8,422	138,521	0	2,204,448
Allowance for Uncollectibles	(1,420,808)	0	(1,004)	0	(1,421,812)
Due from Other Governments	526,211	469,030	987,535	0	1,982,776
Property Taxes Receivable	10,237,741	722,396	3,219,865	0	14,180,002
Allowance for Uncollectible Property Taxes	(220,154)	(12,004)	(46,292)	0	(278,450)
Total Assets	\$ 22,526,311	\$ 1,876,588	\$ 8,368,167	\$ 28,643	\$ 32,799,709
<u>LIABILITIES</u>					
Accounts Payable	\$ 116,877	\$ 61,532	\$ 0	\$ 0	\$ 178,409
Payroll Deductions Payable	359	0	0	0	359
Due to Component Units	23,438	0	0	0	23,438
Due to State of Tennessee	4,843	0	0	0	4,843
Due to Litigants, Heirs, and Others	0	0	0	3,652	3,652
Total Liabilities	\$ 145,517	\$ 61,532	\$ 0	\$ 3,652	\$ 210,701
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 9,695,800	\$ 698,796	\$ 3,144,584	\$ 0	\$ 13,539,180
Deferred Delinquent Property Taxes	314,942	11,349	28,373	0	354,664
Other Deferred/Unavailable Revenue	494,318	175,596	620,146	0	1,290,060
Total Deferred Inflows of Resources	\$ 10,505,060	\$ 885,741	\$ 3,793,103	\$ 0	\$ 15,183,904

(Continued)

Exhibit C-1

Bedford County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Drug Control	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 42,164	\$ 0	\$ 0	\$ 0	\$ 42,164
Restricted for Finance	26,058	0	0	0	26,058
Restricted for Administration of Justice	1,247,741	0	0	0	1,247,741
Restricted for Public Safety	37,087	0	0	24,991	62,078
Restricted for Public Health and Welfare	186,348	0	0	0	186,348
Restricted for Highways/Public Works	0	929,315	0	0	929,315
Committed:					
Committed for General Government	2,899,835	0	0	0	2,899,835
Committed for Public Safety	32,705	0	0	0	32,705
Committed for Public Health and Welfare	92,000	0	0	0	92,000
Committed for Agriculture and Natural Resources	39,278	0	0	0	39,278
Committed for Debt Service	0	0	4,575,064	0	4,575,064
Assigned:					
Assigned for Capital Projects	5,037,447	0	0	0	5,037,447
Unassigned	2,235,071	0	0	0	2,235,071
Total Fund Balances	<u>\$ 11,875,734</u>	<u>\$ 929,315</u>	<u>\$ 4,575,064</u>	<u>\$ 24,991</u>	<u>\$ 17,405,104</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,526,311</u>	<u>\$ 1,876,588</u>	<u>\$ 8,368,167</u>	<u>\$ 28,643</u>	<u>\$ 32,799,709</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Bedford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2016

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	17,405,104
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	867,300	
Add: construction in progress		19,987	
Add: buildings and improvements net of accumulated depreciation		6,744,157	
Add: other capital assets net of accumulated depreciation		1,985,931	
Add: infrastructure net of accumulated depreciation		<u>22,257,967</u>	31,875,342
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,985,000)	
Less: other loans payable		(623,000)	
Less: bonds payable		(49,195,000)	
Less: compensated absences payable		(330,661)	
Less: other postemployment benefits liability		(574,412)	
Less: accrued interest on notes and bonds		(401,603)	
Less: unamortized premium on debt		<u>(308,591)</u>	(53,418,267)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	497,760	
Less: deferred inflows of resources related to pensions		<u>(1,076,414)</u>	(578,654)
(4) Net pension assets of the county agent plan are not current financial resources and therefore are not reported in the governmental funds.			4,443,669
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,644,724</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>1,371,918</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Bedford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 11,305,679	\$ 481,863	\$ 7,032,617	\$ 0	\$ 18,820,159
Licenses and Permits	234,641	0	0	0	234,641
Fines, Forfeitures, and Penalties	464,664	0	0	2,905	467,569
Charges for Current Services	2,020,274	0	0	5,136	2,025,410
Other Local Revenues	535,205	37,926	91,060	0	664,191
Fees Received From County Officials	2,103,166	0	0	0	2,103,166
State of Tennessee	1,517,579	2,311,846	0	0	3,829,425
Federal Government	97,737	100,604	0	0	198,341
Other Governments and Citizens Groups	0	80,073	0	0	80,073
Total Revenues	<u>\$ 18,278,945</u>	<u>\$ 3,012,312</u>	<u>\$ 7,123,677</u>	<u>\$ 8,041</u>	<u>\$ 28,422,975</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,561,130	\$ 0	\$ 0	\$ 0	\$ 1,561,130
Finance	1,617,844	0	0	0	1,617,844
Administration of Justice	1,926,553	0	0	5,136	1,931,689
Public Safety	7,923,637	0	0	0	7,923,637
Public Health and Welfare	4,220,633	0	0	0	4,220,633
Social, Cultural, and Recreational Services	167,090	0	0	0	167,090
Agriculture and Natural Resources	246,322	0	0	0	246,322
Other Operations	1,434,007	7,000	0	66	1,441,073
Highways	0	3,805,949	0	0	3,805,949
Debt Service:					
Principal on Debt	0	0	4,062,000	0	4,062,000
Interest on Debt	0	0	2,126,118	0	2,126,118
Other Debt Service	0	0	102,065	0	102,065
Total Expenditures	<u>\$ 19,097,216</u>	<u>\$ 3,812,949</u>	<u>\$ 6,290,183</u>	<u>\$ 5,202</u>	<u>\$ 29,205,550</u>

(Continued)

Exhibit C-3

Bedford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (818,271)	\$ (800,637)	\$ 833,494	\$ 2,839	\$ (782,575)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 385,000	\$ 0	\$ 0	\$ 0	\$ 385,000
Transfers In	0	0	205,830	0	205,830
Transfers Out	(205,830)	0	0	0	(205,830)
Total Other Financing Sources (Uses)	\$ 179,170	\$ 0	\$ 205,830	\$ 0	\$ 385,000
Net Change in Fund Balances	\$ (639,101)	\$ (800,637)	\$ 1,039,324	\$ 2,839	\$ (397,575)
Fund Balance, July 1, 2015	12,514,835	1,729,952	3,535,740	22,152	17,802,679
Fund Balance, June 30, 2016	\$ 11,875,734	\$ 929,315	\$ 4,575,064	\$ 24,991	\$ 17,405,104

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Bedford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (397,575)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,653,014	
Less: current-year depreciation expense	<u>(1,578,168)</u>	1,074,846
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 1,644,724	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(1,846,147)</u>	(201,423)
(3) The issuance of long-term debt (e.g., bonds, notes, and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds	\$ 3,070,000	
Add: principal payments on notes	400,000	
Add: principal payments on other loans	592,000	
Less: note proceeds	(385,000)	
Add: change in premium on debt issuances	<u>14,836</u>	3,691,836
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 19,719	
Change in other postemployment benefits liability	(61,055)	
Change in compensated absences payable	(33,495)	
Change in net pension asset	829,479	
Change in deferred outflows of resources related to pensions	1,860	
Change in deferred inflows of resources related to pensions	<u>799,498</u>	<u>1,556,006</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,723,690</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-5

Bedford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,305,679	\$ 0	\$ 0	\$ 11,305,679	\$ 10,692,000	\$ 11,202,000	\$ 103,679
Licenses and Permits	234,641	0	0	234,641	128,000	128,493	106,148
Fines, Forfeitures, and Penalties	464,664	0	0	464,664	541,125	541,125	(76,461)
Charges for Current Services	2,020,274	0	0	2,020,274	1,695,500	1,696,600	323,674
Other Local Revenues	535,205	0	0	535,205	505,642	626,406	(91,201)
Fees Received From County Officials	2,103,166	0	0	2,103,166	1,820,200	1,820,200	282,966
State of Tennessee	1,517,579	0	0	1,517,579	1,499,180	1,481,031	36,548
Federal Government	97,737	0	0	97,737	43,350	98,181	(444)
Total Revenues	\$ 18,278,945	\$ 0	\$ 0	\$ 18,278,945	\$ 16,924,997	\$ 17,594,036	\$ 684,909
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 111,493	\$ 0	\$ 0	\$ 111,493	\$ 116,397	\$ 116,397	\$ 4,904
Board of Equalization	3,525	0	0	3,525	8,000	8,000	4,475
Beer Board	325	0	0	325	1,000	1,000	675
Budget and Finance Committee	1,985	0	0	1,985	3,048	3,048	1,063
County Mayor/Executive	205,790	0	100	205,890	265,681	273,829	67,939
County Attorney	52,275	0	0	52,275	65,000	65,000	12,725
Election Commission	148,039	0	59	148,098	188,784	188,884	40,786
Register of Deeds	283,041	0	0	283,041	305,066	296,322	13,281
Planning	211,678	0	0	211,678	269,732	268,939	57,261
Codes Compliance	57,566	0	0	57,566	68,410	69,410	11,844
County Buildings	485,413	(43,154)	1,450	443,709	736,294	798,571	354,862
<u>Finance</u>							
Accounting and Budgeting	473,967	(1,201)	0	472,766	615,787	538,686	65,920
Property Assessor's Office	361,694	(520)	0	361,174	374,682	390,467	29,293
Reappraisal Program	73,842	0	0	73,842	125,396	109,611	35,769
County Trustee's Office	284,472	0	0	284,472	326,251	326,251	41,779
County Clerk's Office	423,869	(100)	0	423,769	448,199	452,270	28,501

(Continued)

Exhibit C-5

Bedford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 615,599	\$ 0	\$ 0	\$ 615,599	\$ 612,488	\$ 657,215	\$ 41,616
General Sessions Court	219,710	0	0	219,710	220,724	222,884	3,174
Chancery Court	282,985	0	0	282,985	321,203	321,303	38,318
Juvenile Court	195,423	0	0	195,423	216,596	209,676	14,253
Judicial Commissioners	176,742	0	0	176,742	181,260	185,210	8,468
Other Administration of Justice	117,351	0	0	117,351	121,024	121,984	4,633
Probation Services	318,743	0	0	318,743	329,115	331,460	12,717
<u>Public Safety</u>							
Sheriff's Department	2,959,372	(100)	28,305	2,987,577	2,658,096	3,120,506	132,929
Traffic Control	36,410	0	0	36,410	43,915	43,915	7,505
Jail	1,761,425	0	0	1,761,425	1,807,555	1,867,294	105,869
Workhouse	883,453	0	4,300	887,753	923,916	952,316	64,563
Juvenile Services	451,872	0	0	451,872	469,060	469,552	17,680
Other Emergency Management	1,400,542	(4,100)	0	1,396,442	1,404,752	1,474,433	77,991
County Coroner/Medical Examiner	24,750	0	0	24,750	20,000	27,500	2,750
Other Public Safety	405,813	0	0	405,813	453,007	453,007	47,194
<u>Public Health and Welfare</u>							
Local Health Center	466,299	(3,900)	0	462,399	613,900	645,199	182,800
Rabies and Animal Control	239,773	0	0	239,773	250,192	273,264	33,491
Ambulance/Emergency Medical Services	2,270,950	(4,602)	92,000	2,358,348	2,573,004	2,676,038	317,690
Other Local Health Services	64,496	0	0	64,496	68,107	68,107	3,611
Regional Mental Health Center	12,900	0	0	12,900	12,900	12,900	0
Appropriation to State	52,522	0	0	52,522	54,000	52,522	0
General Welfare Assistance	100,125	0	0	100,125	100,475	100,475	350
Convenience Centers	1,013,568	0	0	1,013,568	1,067,269	1,067,269	53,701
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	9,500	0	0	9,500	9,500	9,500	0
Senior Citizens Assistance	15,200	0	0	15,200	15,200	15,200	0
Libraries	142,390	0	0	142,390	142,390	142,390	0

(Continued)

Exhibit C-5

Bedford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 110,809	\$ 0	\$ 0	\$ 110,809	\$ 121,648	\$ 121,648	\$ 10,839
Soil Conservation	58,000	0	0	58,000	58,000	58,000	0
Other Agriculture and Natural Resources	77,513	0	0	77,513	77,486	78,476	963
<u>Other Operations</u>							
Tourism	3,948	0	0	3,948	3,948	3,948	0
Other Economic and Community Development	600,000	0	0	600,000	600,000	600,000	0
Veterans' Services	32,642	0	0	32,642	34,296	36,396	3,754
Other Charges	307,797	0	0	307,797	329,121	332,799	25,002
Contributions to Other Agencies	120,449	0	0	120,449	122,000	122,000	1,551
Miscellaneous	369,171	0	0	369,171	442,923	444,431	75,260
Total Expenditures	\$ 19,097,216	\$ (57,677)	\$ 126,214	\$ 19,165,753	\$ 20,396,797	\$ 21,225,502	\$ 2,059,749
Excess (Deficiency) of Revenues Over Expenditures	\$ (818,271)	\$ 57,677	\$ (126,214)	\$ (886,808)	\$ (3,471,800)	\$ (3,631,466)	\$ 2,744,658
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 385,000	\$ 0	\$ 0	\$ 385,000	\$ 0	\$ 385,000	\$ 0
Transfers In	0	0	0	0	78,121	0	0
Transfers Out	(205,830)	0	0	(205,830)	0	(205,831)	1
Total Other Financing Sources	\$ 179,170	\$ 0	\$ 0	\$ 179,170	\$ 78,121	\$ 179,169	\$ 1
Net Change in Fund Balance	\$ (639,101)	\$ 57,677	\$ (126,214)	\$ (707,638)	\$ (3,393,679)	\$ (3,452,297)	\$ 2,744,659
Fund Balance, July 1, 2015	12,514,835	(57,677)	0	12,457,158	13,859,000	12,269,233	187,925
Fund Balance, June 30, 2016	\$ 11,875,734	\$ 0	\$ (126,214)	\$ 11,749,520	\$ 10,465,321	\$ 8,816,936	\$ 2,932,584

The notes to the financial statements are an integral part of this statement.

Exhibit C-6

Bedford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 481,863	\$ 425,179	\$ 438,179	\$ 43,684
Other Local Revenues	37,926	23,000	43,000	(5,074)
State of Tennessee	2,311,846	2,315,000	2,454,861	(143,015)
Federal Government	100,604	60,000	160,604	(60,000)
Other Governments and Citizens Groups	80,073	7,500	77,500	2,573
Total Revenues	<u>\$ 3,012,312</u>	<u>\$ 2,830,679</u>	<u>\$ 3,174,144</u>	<u>\$ (161,832)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Contributions to Other Agencies	\$ 7,000	\$ 7,000	\$ 7,000	\$ 0
<u>Highways</u>				
Administration	228,033	256,135	275,919	47,886
Highway and Bridge Maintenance	1,393,682	1,448,154	1,533,354	139,672
Operation and Maintenance of Equipment	381,531	472,521	446,021	64,490
Litter and Trash Collection	49,587	69,761	79,761	30,174
Other Charges	136,373	153,300	156,800	20,427
Employee Benefits	55,502	74,000	59,000	3,498
Capital Outlay	1,561,241	610,000	1,758,936	197,695
Total Expenditures	<u>\$ 3,812,949</u>	<u>\$ 3,090,871</u>	<u>\$ 4,316,791</u>	<u>\$ 503,842</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (800,637)</u>	<u>\$ (260,192)</u>	<u>\$ (1,142,647)</u>	<u>\$ 342,010</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (19,384)	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (19,384)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (800,637)	\$ (279,576)	\$ (1,142,647)	\$ 342,010
Fund Balance, July 1, 2015	<u>1,729,952</u>	<u>694,190</u>	<u>1,729,952</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 929,315</u>	<u>\$ 414,614</u>	<u>\$ 587,305</u>	<u>\$ 342,010</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D

Bedford County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,461,224
Accounts Receivable	5,243
Due from Other Governments	<u>679,551</u>
Total Assets	<u>\$ 2,146,018</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 679,551
Due to Litigants, Heirs, and Others	<u>1,466,467</u>
Total Liabilities	<u>\$ 2,146,018</u>

The notes to the financial statements are an integral part of this statement.

BEDFORD COUNTY, TENNESSEE
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BEDFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bedford County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Bedford County:

A. Reporting Entity

Bedford County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Bedford County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationship with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Bedford County School Department operates the public school system in the county, and the voters of Bedford County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Emergency Communications District of Bedford County provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bedford County, and the Bedford County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Bedford County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Bedford County School Department are included in this report as listed in the table of contents. Complete financial statements of the Emergency Communications District of Bedford County can be obtained from its administrative office at the following address:

Administrative Office:

Emergency Communications District
of Bedford County
843 Union Street
Shelbyville, TN 37160

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Bedford County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Bedford County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Bedford County issues all debt for the discretely presented Bedford County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2016.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Bedford County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Bedford County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Bedford County considers grants and similar revenues to be available if they are collected within 30 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable

(reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Bedford County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Bedford County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Bedford County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Bedford County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Bedford County School Department reports the following fund type:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bedford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Bedford County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a Stable Net Asset Value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

All ambulance, property taxes, and adequate facilities taxes receivables are shown with an allowance for uncollectibles. Ambulance and adequate facilities taxes receivables allowance for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. Inventories

Inventories of the discretely presented School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more (\$25,000 infrastructure) and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	40 - 50
Bridges	20 - 40

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, changes in proportionate share of net pension asset, and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future

period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in investment earnings, changes in proportionate share of net pension asset, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

It is the policy of the county to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Bedford County does not have policies to pay any amounts when employees separate from service with the government. Personnel of the Highway Department are compensated for any unused sick leave days at year end. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Bedford County School Department

General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore requires no accrual or recording. Non-certificated personnel of the School Department are compensated for any unused sick-leave days at year end.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of net pension obligations.

As of June 30, 2016, Bedford County had \$45,663,000 in outstanding debt for capital purposes for the discretely presented Bedford County School Department. This debt is a liability of Bedford County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Bedford County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission makes assignments by resolution for the general government. The Board of Education makes assignments by resolution for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balances:

General Fund – Three percent of the next year’s budget is to be maintained in unassigned fund balance.

Debt Service Fund – An amount equal to the first two months of principal and interest expense of the total indebtedness of the county for the upcoming year is to be maintained in committed fund balance.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Bedford County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Bedford County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Bedford County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Bedford County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Bedford County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed

appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, Budget and Finance Committee, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Bedford County and the Bedford County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with

collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2016, Bedford County had the following investment carried at amortized cost using a Stable Net Asset Value which approximates fair value as established by generally accepted accounting principles. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooling investments cannot be made for Bedford County and the discretely presented Bedford County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	4 to 117	N/A	\$ 23,000,000

B. Capital Assets

Capital assets activity for the year ended June 30, 2016, was as follows:

Primary Government – Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 867,300	\$ 0	\$ 0	\$ 867,300
Construction in Progress	0	19,987	0	19,987
Total Capital Assets Not Depreciated	\$ 867,300	\$ 19,987	\$ 0	\$ 887,287
Capital Assets Depreciated:				
Buildings and Improvements	\$ 13,435,153	\$ 65,312	\$ (22,063)	\$ 13,478,402
Other Capital Assets	8,021,687	498,349	0	8,520,036
Infrastructure	28,912,853	2,069,366	0	30,982,219
Total Capital Assets Depreciated	\$ 50,369,693	\$ 2,633,027	\$ (22,063)	\$ 52,980,657
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,407,130	\$ 349,178	\$ (22,063)	\$ 6,734,245
Other Capital Assets	6,041,020	493,085	0	6,534,105
Infrastructure	7,988,347	735,905	0	8,724,252
Total Accumulated Depreciation	\$ 20,436,497	\$ 1,578,168	\$ (22,063)	\$ 21,992,602
Total Capital Assets Depreciated, Net	\$ 29,933,196	\$ 1,054,859	\$ 0	\$ 30,988,055
Governmental Activities Capital Assets, Net	\$ 30,800,496	\$ 1,074,846	\$ 0	\$ 31,875,342

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 101,272
Public Safety	382,942
Public Health and Welfare	291,495
Agriculture and Natural Resources	10,266
Highway/Public Works	792,193
Total Depreciation Expense - Governmental Activities	\$ 1,578,168

Discretely Presented Bedford County School Department

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 2,785,691	\$ 0	\$ (9,800)	\$ 2,775,891
Construction in Progress	146,461	272,806	(268,077)	151,190
Total Capital Assets Not Depreciated	\$ 2,932,152	\$ 272,806	\$ (277,877)	\$ 2,927,081
Capital Assets Depreciated:				
Buildings and Improvements	\$ 118,952,091	\$ 395,490	\$ 0	\$ 119,347,581
Other Capital Assets	10,169,881	680,665	0	10,850,546
Total Capital Assets Depreciated	\$ 129,121,972	\$ 1,076,155	\$ 0	\$ 130,198,127
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 37,038,060	\$ 2,807,888	\$ 0	\$ 39,845,948
Other Capital Assets	6,498,124	831,661	0	7,329,785
Total Accumulated Depreciation	\$ 43,536,184	\$ 3,639,549	\$ 0	\$ 47,175,733
Total Capital Assets Depreciated, Net	\$ 85,585,788	\$ (2,563,394)	\$ 0	\$ 83,022,394
Governmental Activities Capital Assets, Net	\$ 88,517,940	\$ (2,290,588)	\$ (277,877)	\$ 85,949,475

Depreciation expense was charged to functions of the discretely presented Bedford County School Department as follow:

Instruction	\$ 2,856,263
Support Services	752,552
Operation of Non-instructional Services	30,734
Total Depreciation Expense - Governmental Activities	\$ 3,639,549

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, was as follows:

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit: Emergency Communications District	Primary Government: General	\$ 23,438

Interfund Transfers:

Interfund transfers for the year ended June 30, 2016, consisted of the following amounts:

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u>
	General Debt Service Fund
General Fund	\$ 205,830

Discretely Presented Bedford County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
Nonmajor governmental fund	\$ 15,570

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. During the year ended June 30, 2016, the General Fund transferred \$205,830 to the General Debt Service Fund to retire debt and the School Federal Projects Fund transferred \$15,570 to the General Purpose School Fund to reimburse for indirect costs.

D. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Bedford County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In

addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 30 years for bonds, up to five years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, capital outlay notes and other loans included in long-term debt as of June 30, 2016, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes and other loans outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bonds	3.75 to 5%	4-1-37	\$ 50,500,000	\$ 40,605,000
General Obligation Bonds - Refunding	2.09 to 2.6	4-1-25	11,015,000	8,590,000
Capital Outlay Notes	1.53 to 1.55	11-14-19	2,385,000	1,985,000
Other Loans	variable	5-25-17	8,000,000	623,000

In prior years, Bedford County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$8,000,000 available for loan to Bedford County on an as-needed basis for various renovation and construction projects. Bedford County had borrowed the entire amount of the loan. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2016, the variable interest rate was .61 percent, and other fees totaled approximately .46 percent (letter of credit), .07 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes and other loans outstanding as of June 30, 2016, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 526,365	\$ 27,387	\$ 553,752
2018	528,323	19,309	547,632
2019	530,312	11,200	541,512
2020	400,000	3,060	403,060
Total	\$ 1,985,000	\$ 60,956	\$ 2,045,956

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2017	\$ 623,000	\$ 3,769	\$ 4,247	\$ 631,016
Total	\$ 623,000	\$ 3,769	\$ 4,247	\$ 631,016

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 2,435,000	\$ 1,996,870	\$ 4,431,870
2018	2,520,000	1,907,385	4,427,385
2019	2,630,000	1,826,242	4,456,242
2020	2,725,000	1,741,543	4,466,543
2021	2,840,000	1,652,227	4,492,227
2022-2026	12,525,000	6,790,457	19,315,457
2027-2031	9,595,000	4,445,462	14,040,462
2032-2035	11,345,000	2,156,400	13,501,400
2036-2037	2,580,000	116,099	2,696,099
Total	\$ 49,195,000	\$ 22,632,685	\$ 71,827,685

There is \$4,575,064 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes and other loans, totaled \$1,150, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, June 30, 2015	\$ 52,265,000	\$ 2,000,000	\$ 1,215,000
Additions	0	385,000	0
Reductions	(3,070,000)	(400,000)	(592,000)
Balance, June 30, 2016	<u>\$ 49,195,000</u>	<u>\$ 1,985,000</u>	<u>\$ 623,000</u>
Balance Due Within One Year	<u>\$ 2,435,000</u>	<u>\$ 526,365</u>	<u>\$ 623,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2015	\$ 297,166	\$ 513,357
Additions	492,708	68,923
Reductions	(459,213)	(7,868)
Balance, June 30, 2016	<u>\$ 330,661</u>	<u>\$ 574,412</u>
Balance Due Within One Year	<u>\$ 16,533</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 52,708,073
Less: Balance Due Within One Year	(3,600,898)
Add: Unamortized Premium on Debt	<u>308,591</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 49,415,766</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Bedford County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Bedford County School Department for the year ended June 30, 2016, was as follows:

Governmental Activities:

	Net Pension Liability - Legacy Plan*	Other Postemployment Benefits
Balance, July 1, 2015	\$ (118,688)	\$ 781,449
Additions	9,967,552	461,882
Reductions	(9,554,503)	(405,946)
Balance, June 30, 2016	<u>\$ 294,361</u>	<u>\$ 837,385</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

* The Legacy Plan had a Net Pension Asset balance on July 1, 2015.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 1,131,746
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,131,746</u>

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

E. On-Behalf Payments – Bedford County and the Discretely Presented Bedford County School Department

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Bedford County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2016, were \$1,350. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Bedford County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bedford County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group

Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2016, were \$94,824 and \$42,425, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Bedford County and the discretely presented Bedford County School Department are exposed to various risks related to general liability, property, casualty, and workers' compensation losses. Bedford County and the School Department decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. Bedford County and the School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Bedford County and the School Department pay an annual premium to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Bedford County

Employee Health Insurance

Bedford County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Bedford County School Department

The discretely presented Bedford County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

C. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the county's financial statements.

D. Joint Ventures

Primary Government

The Shelbyville-Bedford County Public Library is jointly owned by Bedford County and the City of Shelbyville and operates under Tennessee state law and the rules and regulations of the Highland Rim Regional Library. The

library is governed by a voluntary 14-member board of directors, seven appointed by the county and seven by the city. Bedford County has control over budgeting and financing of the joint venture only to the extent of representation by the seven board members appointed. Bedford County contributed \$142,390 to the operations of the library during the year ended June 30, 2016.

The Joint Economic Development Board is a joint venture between Bedford County and the cities of Bell Buckle, Normandy, Shelbyville, and Wartrace. The board comprises the city mayor or city manager, if so designated by the city's governing board of each member's municipality, the Bedford County mayor, three members of the City of Shelbyville Industrial Development Board, two residents of the unincorporated area of Bedford County, and a private citizen who owns greenbelt property. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The cities and county will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Bedford County contributed \$600,000 to the Joint Economic Development Board for the year ended June 30, 2016.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Bedford County did not contribute to the DTF for the year ended June 30, 2016.

The Interlocal Solid Waste Authority was formed by joint resolution of the counties of Bedford, Franklin, Moore and Lincoln and the municipalities of Tullahoma and Fayetteville to develop a solid waste regional plan. Each participating County Commission or City Council appointed the authority's board for varying terms of office. Bedford County made no contribution to the Interlocal Solid Waste Authority for the year ended June 30, 2016.

Bedford County does not retain an equity interest in any of the above-noted joint ventures.

Complete financial statements for the Shelbyville-Bedford County Public Library, the Joint Economic Development Board, the Seventeenth Judicial District Drug Task Force, and the Interlocal Solid Waste Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Shelbyville-Bedford County Public Library
220 South Jefferson Street
Shelbyville, TN 37160

Joint Economic Development Board
c/o City Hall
201 North Spring Street
Shelbyville, TN 37160

Office of District Attorney General
Seventeenth Judicial District Drug Task Force
P.O. Box 878
Fayetteville, TN 37334

Interlocal Solid Waste Authority
c/o City of Tullahoma
P.O. Box 807
Tullahoma, TN 37388

Discretely Presented Bedford County School Department

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, and Stewart County. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for VOLCO can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative
1800 Wilson Parkway
Fayetteville, TN 37334

E. Jointly Governed Organization

The Bedford Railroad Authority was created November 22, 1984, pursuant to Section 7-56-201, et seq., *Tennessee Code Annotated*, to provide for the continuation of rail service on a section of existing rail spur line located within Bedford County between the cities of Shelbyville and Wartrace. The authority's board includes the mayor of Shelbyville, a city councilman, the county mayor, a county commissioner, the mayor of Wartrace, and a citizen residing in Wartrace; however, the county and cities do not have any ongoing financial interest or responsibility for the entity.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Bedford County, non-certified employees of the discretely presented Bedford County School Department, and employees of the discretely presented Bedford County Emergency Communications District (ECD) are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 58.29 percent, the non-certified employees of the discretely presented School Department comprised 39.41 percent, and the discretely presented Bedford County Emergency Communications District comprised 2.29 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is

required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	296
Inactive Employees Entitled to But Not Yet Receiving Benefits	767
Active Employees	641
Total	1,704

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Bedford County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Bedford County was \$855,335 based on a rate of 5.25 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Bedford County's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Bedford County's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	6.46	%	33	%
Developed Market				
International Equity	6.26		17	
Emerging Market				
International Equity	6.40		5	
Private Equity and				
Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
			100	%
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Bedford County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 43,955,573	\$ 52,637,268	\$ (8,681,695)
Changes for the Year:			
Service Cost	\$ 1,414,370	\$ 0	\$ 1,414,370
Interest	3,321,126	0	3,321,126
Differences Between Expected and Actual Experience	(425,077)	0	(425,077)
Contributions-Employer	0	855,335	(855,335)
Contributions-Employees	0	814,438	(814,438)
Net Investment Income	0	1,612,760	(1,612,760)
Benefit Payments, Including Refunds of Employee Contributions	(2,176,520)	(2,176,520)	0
Administrative Expense	0	(30,951)	30,951
Other Changes	0	0	0
Net Changes	\$ 2,133,899	\$ 1,075,062	\$ 1,058,837
Balance, June 30, 2015	\$ 46,089,472	\$ 53,712,330	\$ (7,622,858)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.29%	\$ 26,867,397	\$ 31,311,066	\$ (4,443,669)
ECD	2.29%	1,056,094	1,230,764	(174,670)
School Department	39.41%	18,165,981	21,170,500	(3,004,519)
Total		\$ 46,089,472	\$ 53,712,330	\$ (7,622,858)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Bedford County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Bedford County</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	\$ (1,670,448)	\$ (7,622,858)	\$ (12,537,083)

Negative Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Negative Pension Expense. For the year ended June 30, 2016, Bedford County recognized negative pension expense of \$745,456.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Bedford County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,234,367
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,851,897	2,464,057
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	<u>865,449</u>	<u>N/A</u>
Total	<u>\$ 2,717,346</u>	<u>\$ 3,698,424</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,577,305	\$ 2,155,959
ECD	61,762	84,747
School Department	<u>1,078,279</u>	<u>1,457,718</u>
Total	<u>\$ 2,717,346</u>	<u>\$ 3,698,424</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (769,834)
2018	(769,834)
2019	(769,834)
2020	462,974
2021	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Bedford County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Bedford County, non-certified employees of the discretely presented Bedford County School Department, and the discretely presented Bedford County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 58.29 percent, the non-certified employees of the discretely

presented School Department comprise 39.41 percent, and the discretely presented Emergency Communications District comprise 2.29 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Bedford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less

than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$116,712, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2016, the Bedford County School Department reported an asset of \$30,518 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Bedford County School Department's proportion of the net pension asset was based on the Bedford County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Bedford County School Department's proportion was .758599 percent.

Pension Expense. For the year ended June 30, 2016, the Bedford County School Department recognized pension expense of \$39,995.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Bedford County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 9,933
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,467	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	116,712	N/A
Total	<u>\$ 119,179</u>	<u>\$ 9,933</u>

The Bedford County School Department's employer contributions of \$116,712, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (211)
2018	(211)
2019	(211)
2020	(211)
2021	(828)
Thereafter	(5,794)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Bedford County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Bedford County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 5,412	\$ (30,518)	\$ (56,869)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Bedford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various

eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Bedford County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$2,378,793, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2016, the Bedford County School Department reported a liability of \$294,361 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Bedford County School Department's proportion of the net pension liability (asset) was based on the Bedford County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Bedford County School Department's proportion was .718594 percent. The proportion measured at June 30, 2014, was .730407 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Bedford County School Department recognized negative pension expense of \$250,821.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Bedford County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 236,237	\$ 4,581,767
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,315,232	7,215,717
Changes in Proportion of Net Pension Liability (Asset)	114,787	126,318
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	<u>2,378,793</u>	<u>N/A</u>
Total	<u>\$ 8,045,049</u>	<u>\$ 11,923,802</u>

The Bedford County School Department's employer contributions of \$2,378,793 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (1,947,843)
2018	(1,947,843)
2019	(1,947,843)
2020	457,396
2021	(871,412)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
Short-term Securities	0.98	29
	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Bedford County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Bedford County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 20,068,518 \$ 294,361 \$ (16,076,310)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

Bedford County offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program is the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

G. Other Postemployment Benefits (OPEB)

Plan Description

Bedford County and the Bedford County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, and Section 8-27-207, *TCA* for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state’s retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state’s website at <http://tn.gov/finance/arcicle/fa-accfin-cafr>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing

active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Bedford County and the School Department recognized expenditures of \$7,868 and \$405,946, respectively, for postemployment health care during the year ended June 30, 2016.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<u>Plan</u>	<u>Plan</u>
ARC	\$ 462,000	\$ 69,000
Interest on the NOPEBO	29,304	19,251
Adjustment to the ARC	<u>(29,422)</u>	<u>(19,328)</u>
Annual OPEB cost	\$ 461,882	\$ 68,923
Amount of contribution	<u>(405,946)</u>	<u>(7,868)</u>
Increase/decrease in NOPEBO	\$ 55,936	\$ 61,055
Net OPEB obligation, 7-1-15	<u>781,449</u>	<u>513,357</u>
Net OPEB obligation, 6-30-16	<u>\$ 837,385</u>	<u>\$ 574,412</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Local Education Group	\$ 329,868	122	% \$ 770,635
6-30-15	"	341,794	97	781,449
6-30-16	"	461,882	88	837,385
6-30-14	Local Government Group	39,470	12	490,149
6-30-15	"	40,505	43	513,357
6-30-16	"	68,923	11	574,412

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

(dollars in thousands)

	<u>Local Education Group Plan</u>	<u>Local Government Group Plan</u>
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 4,061	\$ 429
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,061	\$ 429
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 36,364	\$ 10,980
UAAL as a % of covered payroll	11%	4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2015, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

H. Office of Central Accounting, Budgeting, and Purchasing

Bedford County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing covering all county departments. The act provides for the creation of a Finance Department operated under the direction of the finance director.

I. Purchasing Laws

Office of Director of Finance

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Bedford County. All purchase orders are issued by the Finance Department. Purchases exceeding \$25,000 for the Office of County Mayor, the Office of Highway Superintendent, and the discretely presented School Department are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED EMERGENCY COMMUNICATIONS DISTRICT OF BEDFORD COUNTY

A. Summary of Significant Accounting Policies

General Information – On May 15, 1984, the Tennessee state legislature approved the “Tennessee Emergency Communications District Law” (Acts 1984, ch. 867), which enables a county, upon approval by voters, to create a district to provide local emergency telephone service. Subsequently, in July 1987, the county legislative body of Bedford County, Tennessee, approved the establishment of a district for their county, the Emergency Communications District of Bedford County. As provided by the act, the district operates as a governmental organization through the directives of a nine-member board of directors and provides enhanced 9-1-1 emergency telephone services for its service area. The directors serve without compensation for terms of three to four years.

Financial Reporting Entity – Component Unit – Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the Bedford County Mayor and approved by the Bedford County Commission, the district is considered a component unit of Bedford County.

Pursuant to *Tennessee Code Annotated (TCA)*, Section 7-86-114, before issuing negotiable bonds, the district must have approval of the legislative body of the county wherein the district is established. It also must have approval before making purchase contracts, lease agreements, and notes

payable of over five years' duration. In addition, the Bedford County Commission has the ability to adjust the district's service charges.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The district does not have the authority to levy or collect taxes but is supported instead by the fees collected from telephone subscribers who benefit from the availability of its service. It recovers the cost of providing its services from its customers. Consequently, the district functions in a manner similar to a private business enterprise.

The accounts of the district are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the district's assets, liabilities, net position, revenues, and expenses. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entities net position. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues in proprietary fund types are those revenues generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Budgetary Law and Practice – The treasurer of the district files an annual budget with the mayor of Bedford County in accordance with *TCA*, Title 7, Chapter 86, Part 1. In March of each year, the treasurer presents a preliminary budget to the board of directors. The budget is then discussed and amended as necessary for approval by the board.

The budget for operations is prepared on the cash receipts and disbursements basis by line-item accounts. Revenues are budgeted in the year receipts are expected, and disbursements are budgeted in the year that the disbursements are expected to occur. Capital asset purchases and capital lease payments are budgeted in total.

Capital Assets – Capital assets are stated at cost or estimated historical cost if actual cost is not available. Maintenance, repairs, and minor renewals are expensed while major renewals and betterments are capitalized. The district defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years. When items of property are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included as non-operating revenue or loss.

Depreciation is provided over estimated useful lives ranging from five to 40 years by the straight-line method.

Use of Estimates – The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash Flow – Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, amounts invested in State Treasurer’s Investment Pool, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2016, the district did not hold any certificates of deposit.

Use of Facilities – The district conducts its operations in a building owned by Bedford County at no cost to the district. The measurement of the contribution from Bedford County is not considered significant for disclosure as in-kind support and expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Net Position Flow Assumption – The district will on occasion fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district has three items that qualify for reporting in this category resulting from the pension plan. See Note VI.F. for information concerning deferred outflows related to the pension plan.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The district has three items that qualify for reporting in this category resulting from the pension plan.

See Note VI.F. for further information concerning deferred inflows related to the pension plan.

Pensions – For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense/income, information about the fiduciary net position of the district’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the district’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

B. Cash and Cash Equivalents

Cash – At June 30, 2016, the carrying amount of cash deposits was \$504,700, and the bank balance was \$541,998. At June 30, 2016, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro-rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Investments

Legal Provisions – State statutes authorize the district to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and nonconvertible debt securities of certain federal government sponsored enterprises. These investments may not have a maturity greater than two years. The district has no investment policy that would further limit its investment choices.

Investments in the State Treasurer’s Investment Pool are reported at amortized cost. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. As of June 30, 2016, the district had \$1,001,044 held in the State Treasurer’s Investment Pool. As of June 30, 2016, the district held no investments required to be reported at fair value.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. obligations are implicitly guaranteed by the U.S. government and therefore are not considered to have credit risk. Governmental accounting standards required disclosure of credit quality rating for external pools; however, the State Treasurer's Investment Pool is unrated.

Cash and cash equivalents are presented in the financial statements as follows:

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>
First Bank checking	.10%	\$ 504,700
State Treasurer's Investment Pool	.33	<u>1,001,044</u>
Total		<u>\$ 1,505,744</u>

C. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district obtains insurance coverage covering the above risks of loss through a public entity risk entity pool, Tennessee Risk Management Trust (TRMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The creation of the TRMT provides for it to be self-sustaining through member premiums. Settled claims have not exceeded the coverage in any of the past three fiscal years.

D. Interlocal Agreement

The district and Bedford County have entered into an agreement dated January 15, 2004. The agreement acknowledges the district's authority to manage communications at the central public safety answering point (PSAP) as well as to take the steps considered necessary for the purpose of attaining financial self-sufficiency. Significant terms include the district's responsibility to pay all costs that relate to maintenance of the PSAP equipment, annual budgets of the district will only be approved after acceptance by the county, and provides that the employees of the district shall receive benefits generally provided to the employees of the county. Under the agreement the county must provide funding to the district equal to the net amount of money required to be paid to the district after contributions of the district and other funding sources have been applied. The agreement will automatically renew unless either party gives the other written notice subject to certain specifications set out in the agreement.

Though not required by the interlocal agreement, the county has agreed to provide funding to the district equal to the cost of the dispatchers salaries, including benefits. Contributions from the county totaled \$405,813 for the year ended June 30, 2016.

E. Capital Assets

Capital assets are summarized as follows:

	Balance		Balance	
	7-1-15	Increases	Decreases	6-30-16
Capital Assets				
Depreciated:				
Building and				
Improvements	\$ 227,717	\$ 26,082	\$ 0	\$ 253,799
Furniture and Fixtures	90,188	0	(8,266)	81,922
Office Equipment	47,185	0	(19,189)	27,996
Communications Equipment	744,084	0	0	744,084
Vehicle	45,150	0	0	45,150
Intangibles	29,152	0	0	29,152
Other Capital Assets	94,869	0	(2,215)	92,654
Total Capital Assets				
Depreciated	\$ 1,278,345	\$ 26,082	\$ (29,670)	\$ 1,274,757
Less Accumulated				
Depreciation For:				
Building and				
Improvements	\$ 37,516	\$ 8,330	\$ 0	\$ 45,846
Furniture and Fixtures	69,308	7,815	(6,293)	70,830
Office Equipment	41,246	3,478	(17,481)	27,243
Communications Equipment	530,031	83,446	0	613,477
Vehicle	45,150	0	0	45,150
Intangibles	7,774	2,915	0	10,689
Other Capital Assets	74,867	8,690	(2,215)	81,342
Total Accumulated				
Depreciation	\$ 805,892	\$ 114,674	\$ (25,989)	\$ 894,577
Total Capital Assets				
Depreciated, Net	\$ 472,453	\$ (88,592)	\$ (3,681)	\$ 380,180

F. General Information About the Pension Plan

Plan Description – Employees of Bedford County, Bedford County School Department, and the Emergency 911 Communications District of Bedford County are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The employees of the district comprise 1.37 percent of the plan. The district’s allocation was determined based on the number of active employees in the plan. Because the district shares costs

with Bedford County and the Bedford County School Department, the district's plan is considered to be a cost-sharing pension plan.

The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided – TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions – Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The district makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for the district were \$19,101 based on a rate of 5.25 percent of covered payroll. By law, employer contributions are required to be paid. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

At June 30, 2016, the district reported an asset of \$118,916 for its proportionate share of the net pension asset. The district's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability (asset) was based on the district's number of active employees in the plan relative to the active employees of all plan participants. At the measurement date of June 30, 2015, the district's proportion was 1.56 percent. The proportion measured as of June 30, 2014, was 1.37 percent.

Actuarial Assumptions. The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of

three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the district will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the district calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Emergency 911 Communications District of Bedford County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
---------------------------------------------------------	---------------------	-------------------------------	---------------------

Net Pension Liability (Asset) \$ (26,059) \$ (118,916) \$ (183,898)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Negative Pension Expense. For the year ended June 30, 2016, the district recognized negative pension expense of \$12,074.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 19,256
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,889	38,439
Changes in Proportion of Net Pension Liability (Asset)	0	5,950
Difference Between the Employer's Actual Contributions and Its Proportionate Share of Total Employer Contributions	4,612	0
Contributions Subsequent to the Measurement Date of June 30, 2015	<u>19,328</u>	<u>N/A</u>
Total	<u>\$ 52,829</u>	<u>\$ 63,645</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period. All other deferred amounts are amortized over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan, both active and inactive. For the measurement date of June 30, 2015, the amortization period is four years.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (12,456)
2018	(12,456)
2019	(12,456)
2020	7,223

In the table show above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Bedford County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015
Total Pension Liability (Asset)		
Service Cost	\$ 1,162,247	\$ 1,414,370
Interest	3,246,232	3,321,126
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(1,525,931)	(425,077)
Changes in Assumptions	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,095,624)	(2,176,520)
Net Change in Total Pension Liability (Asset)	\$ 786,924	\$ 2,133,899
Total Pension Liability (Asset), Beginning	43,168,649	43,955,573
Total Pension Liability (Asset), Ending (a)	\$ 43,955,573	\$ 46,089,472
Plan Fiduciary Net Position		
Contributions - Employer	\$ 976,847	\$ 855,335
Contributions - Employee	820,131	814,438
Net Investment Income	7,503,925	1,612,760
Benefit Payments, Including Refunds of Employee Contributions	(2,095,624)	(2,176,520)
Administrative Expense	(25,646)	(30,951)
Net Change in Plan Fiduciary Net Position	\$ 7,179,633	\$ 1,075,062
Plan Fiduciary Net Position, Beginning	45,457,635	52,637,268
Plan Fiduciary Net Position, Ending (b)	\$ 52,637,268	\$ 53,712,330
Net Pension Liability (Asset), Ending (a - b)	\$ (8,681,695)	\$ (7,622,858)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	119.75%	116.54%
Covered Payroll	\$ 16,389,781	\$ 16,292,092
Net Pension Liability (Asset) as a Percentage of Covered Payroll	52.97%	46.79%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, discretely presented Bedford County Emergency Communications District, and discretely presented non-certified employees of the School Department.

Exhibit E-2

Bedford County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016
Actuarially Determined Contribution	\$ 976,847	\$ 850,688	\$ 865,449
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(976,847)</u>	<u>(850,688)</u>	<u>(865,449)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 16,389,781	\$ 16,292,092	\$ 17,758,681
Contributions as a Percentage of Covered Payroll	5.96%	5.25%	5.25%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, discretely presented Bedford County Emergency Communications District, and discretely presented non-certified employees of the School Department.

Exhibit E-3

Bedford County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Bedford County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 39,405	\$ 72,947
Less Contributions in Relation to the Contractually Required Contribution	<u>63,047</u>	<u>116,712</u>
Contribution Deficiency (Excess)	<u>\$ (23,642)</u>	<u>\$ (43,765)</u>
Covered Payroll	\$ 1,576,186	\$ 2,917,866
Contributions as a Percentage of Covered Payroll	4.0%	4.0%

Note: ten years of data will be presented when available.

Exhibit E-4

Bedford County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Bedford County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016
Contractually Required Contribution	\$ 2,545,755	\$ 2,436,317	\$ 2,378,793
Less Contributions in Relation to the Contractually Required Contribution	<u>(2,545,755)</u>	<u>(2,436,317)</u>	<u>(2,378,793)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 28,668,412	\$ 26,777,158	\$ 26,169,131
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%

Note: ten years of data will be presented when available.

Exhibit E-5

Bedford County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Pension Plan of TCRS
Discretely Presented Bedford County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.758599%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (30,518)
Covered Payroll	\$ 1,576,186
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Bedford County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Bedford County School Department
For the Fiscal Year Ended June 30 *

	<u>2015</u>	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.730407%	0.718594%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (118,688)	\$ 294,361
Covered Payroll	\$ 28,668,417	\$ 26,900,674
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094250%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-7

Bedford County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bedford County School Department
June 30, 2016

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-11	\$ 0	\$ 506	\$ 506	0 %	\$ 9,938	5 %
"	7-1-13	0	229	229	0	10,003	2
"	7-1-15	0	429	429	0	10,980	4
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	5,010	5,010	0	33,694	15
"	7-1-13	0	2,858	2,858	0	35,471	8
"	7-1-15	0	4,061	4,061	0	36,364	11

BEDFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Exhibit F-1

Bedford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Fund <u>Drug Control</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 28,643
Total Assets	<u>\$ 28,643</u>
<u>LIABILITIES</u>	
Due to Litigants, Heirs, and Others	\$ 3,652
Total Liabilities	<u>\$ 3,652</u>
<u>FUND BALANCES</u>	
Restricted:	
Restricted for Public Safety	\$ 24,991
Total Fund Balances	<u>\$ 24,991</u>
Total Liabilities and Fund Balances	<u>\$ 28,643</u>

Exhibit F-2

Bedford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>		
	Drug Control	Constitu- tional Officers - Fees	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Fines, Forfeitures, and Penalties	\$ 2,905	\$ 0	\$ 2,905
Charges for Current Services	0	5,136	5,136
Total Revenues	<u>\$ 2,905</u>	<u>\$ 5,136</u>	<u>\$ 8,041</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 5,136	\$ 5,136
Other Operations	66	0	66
Total Expenditures	<u>\$ 66</u>	<u>\$ 5,136</u>	<u>\$ 5,202</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,839</u>	<u>\$ 0</u>	<u>\$ 2,839</u>
Net Change in Fund Balances	\$ 2,839	\$ 0	\$ 2,839
Fund Balance, July 1, 2015	<u>22,152</u>	<u>0</u>	<u>22,152</u>
Fund Balance, June 30, 2016	<u><u>\$ 24,991</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 24,991</u></u>

Exhibit F-3

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 2,905	\$ 6,700	\$ 6,700	\$ (3,795)
Total Revenues	\$ 2,905	\$ 6,700	\$ 6,700	\$ (3,795)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 0	\$ 0	\$ 5,000	\$ 5,000
<u>Other Operations</u>				
Miscellaneous	66	100	100	34
Total Expenditures	\$ 66	\$ 100	\$ 5,100	\$ 5,034
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,839	\$ 6,600	\$ 1,600	\$ 1,239
Net Change in Fund Balance	\$ 2,839	\$ 6,600	\$ 1,600	\$ 1,239
Fund Balance, July 1, 2015	22,152	10,944	22,152	0
Fund Balance, June 30, 2016	\$ 24,991	\$ 17,544	\$ 23,752	\$ 1,239

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit G

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,032,617	\$ 6,150,015	\$ 6,150,015	\$ 882,602
Other Local Revenues	91,060	225,000	225,000	(133,940)
Total Revenues	<u>\$ 7,123,677</u>	<u>\$ 6,375,015</u>	<u>\$ 6,375,015</u>	<u>\$ 748,662</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 300,000	\$ 700,000	\$ 300,000	\$ 0
Highways and Streets	400,000	0	400,000	0
Education	3,362,000	3,362,000	3,362,000	0
<u>Interest on Debt</u>				
General Government	167,062	194,603	167,063	1
Highways and Streets	27,540	0	27,540	0
Education	1,931,516	1,932,246	1,932,246	730
<u>Other Debt Service</u>				
General Government	91,562	90,000	96,591	5,029
Education	10,503	20,000	15,000	4,497
Total Expenditures	<u>\$ 6,290,183</u>	<u>\$ 6,298,849</u>	<u>\$ 6,300,440</u>	<u>\$ 10,257</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 833,494</u>	<u>\$ 76,166</u>	<u>\$ 74,575</u>	<u>\$ 758,919</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 205,830	\$ 0	\$ 205,831	\$ (1)
Total Other Financing Sources	<u>\$ 205,830</u>	<u>\$ 0</u>	<u>\$ 205,831</u>	<u>\$ (1)</u>
Net Change in Fund Balance	\$ 1,039,324	\$ 76,166	\$ 280,406	\$ 758,918
Fund Balance, July 1, 2015	3,535,740	2,904,109	3,535,740	0
Fund Balance, June 30, 2016	<u>\$ 4,575,064</u>	<u>\$ 2,980,275</u>	<u>\$ 3,816,146</u>	<u>\$ 758,918</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

Bedford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,461,224	\$ 1,461,224
Accounts Receivable	0	5,243	5,243
Due from Other Governments	679,551	0	679,551
Total Assets	<u>\$ 679,551</u>	<u>\$ 1,466,467</u>	<u>\$ 2,146,018</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 679,551	\$ 0	\$ 679,551
Due to Litigants, Heirs, and Others	0	1,466,467	1,466,467
Total Liabilities	<u>\$ 679,551</u>	<u>\$ 1,466,467</u>	<u>\$ 2,146,018</u>

Exhibit H-2

Bedford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,972,210	\$ 3,972,210	\$ 0
Due from Other Governments	660,345	679,551	660,345	679,551
Total Assets	\$ 660,345	\$ 4,651,761	\$ 4,632,555	\$ 679,551
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 660,345	\$ 4,651,761	\$ 4,632,555	\$ 679,551
Total Liabilities	\$ 660,345	\$ 4,651,761	\$ 4,632,555	\$ 679,551
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,655,103	\$ 9,343,950	\$ 9,537,829	\$ 1,461,224
Accounts Receivable	5,715	5,243	5,715	5,243
Total Assets	\$ 1,660,818	\$ 9,349,193	\$ 9,543,544	\$ 1,466,467
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,660,818	\$ 9,349,193	\$ 9,543,544	\$ 1,466,467
Total Liabilities	\$ 1,660,818	\$ 9,349,193	\$ 9,543,544	\$ 1,466,467
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,655,103	\$ 9,343,950	\$ 9,537,829	\$ 1,461,224
Equity in Pooled Cash and Investments	0	3,972,210	3,972,210	0
Accounts Receivable	5,715	5,243	5,715	5,243
Due from Other Governments	660,345	679,551	660,345	679,551
Total Assets	\$ 2,321,163	\$ 14,000,954	\$ 14,176,099	\$ 2,146,018
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 660,345	\$ 4,651,761	\$ 4,632,555	\$ 679,551
Due to Litigants, Heirs, and Others	1,660,818	9,349,193	9,543,544	1,466,467
Total Liabilities	\$ 2,321,163	\$ 14,000,954	\$ 14,176,099	\$ 2,146,018

Bedford County School Department

This section presents combining and individual fund financial statements for the Bedford County School Department, a discretely presented component unit. The School Department uses a General Fund and three Special Revenue Funds.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Extended School Program Fund – The Extended School Program Fund is used to account for the after-school programs in the individual schools.

Exhibit I-1

Bedford County, Tennessee
Statement of Activities
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 36,634,653	\$ 432,824	\$ 4,174,683	\$ (32,027,146)
Support Services	20,407,643	121,341	4,774	(20,281,528)
Operation of Non-instructional Services	5,671,637	264,065	4,457,137	(950,435)
Total Governmental Activities	<u>\$ 62,713,933</u>	<u>\$ 818,230</u>	<u>\$ 8,636,594</u>	<u>\$ (53,259,109)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 8,593,180
Local Option Sales Taxes				2,240,465
Other Local Taxes				28,559
Grants and Contributions Not Restricted to Specific Programs				45,407,991
Unrestricted Investment Income				902
Miscellaneous				81,789
Total General Revenues				<u>\$ 56,352,886</u>
Change in Net Position				\$ 3,093,777
Net Position, July 1, 2015				<u>97,652,743</u>
Net Position, June 30, 2016				<u>\$ 100,746,520</u>

Exhibit I-2

Bedford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2016

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>mental</u>	<u>Funds</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 300	\$ 4,163	\$ 4,463
Equity in Pooled Cash and Investments	15,285,004	1,539,904	16,824,908
Inventories	0	50,073	50,073
Accounts Receivable	17,696	10,767	28,463
Allowance for Uncollectibles	0	(1,751)	(1,751)
Due from Other Governments	887,790	13,710	901,500
Property Taxes Receivable	8,965,818	0	8,965,818
Allowance for Uncollectible Property Taxes	(197,216)	0	(197,216)
Total Assets	<u>\$ 24,959,392</u>	<u>\$ 1,616,866</u>	<u>\$ 26,576,258</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 77,682	\$ 2,551	\$ 80,233
Accrued Payroll	1,567	0	1,567
Payroll Deductions Payable	885,298	93,554	978,852
Total Liabilities	<u>\$ 964,547</u>	<u>\$ 96,105</u>	<u>\$ 1,060,652</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,472,906	\$ 0	\$ 8,472,906
Deferred Delinquent Property Taxes	289,406	0	289,406
Other Deferred/Unavailable Revenue	189,616	0	189,616
Total Deferred Inflows of Resources	<u>\$ 8,951,928</u>	<u>\$ 0</u>	<u>\$ 8,951,928</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 50,073	\$ 50,073
Restricted:			
Restricted for Education	150,469	1,215,388	1,365,857
Committed:			
Committed for Education	2,210,767	255,300	2,466,067
Unassigned	12,681,681	0	12,681,681
Total Fund Balances	<u>\$ 15,042,917</u>	<u>\$ 1,520,761</u>	<u>\$ 16,563,678</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,959,392</u>	<u>\$ 1,616,866</u>	<u>\$ 26,576,258</u>

Exhibit I-3

Bedford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Bedford County School Department
June 30, 2016

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 16,563,678
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,775,891	
Add: construction in progress	151,190	
Add: buildings and improvements net of accumulated depreciation	79,501,633	
Add: other capital assets net of accumulated depreciation	<u>3,520,761</u>	85,949,475
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	\$ (837,385)	
Less: net pension liability - teacher legacy pension plan	<u>(294,361)</u>	(1,131,746)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 3,194,890	
Less: deferred inflows of resources related to pensions	<u>(7,343,836)</u>	(4,148,946)
(4) Net pension assets of the agent and teacher retirement plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: agent plan	\$ 3,004,519	
Add: teacher retirement plan	<u>30,518</u>	3,035,037
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>479,022</u>
Net position of governmental activities (Exhibit A)		<u>\$ 100,746,520</u>

Exhibit I-4

Bedford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 11,432,324	\$ 0	\$ 11,432,324
Licenses and Permits	2,507	0	2,507
Charges for Current Services	125,023	677,757	802,780
Other Local Revenues	101,141	950	102,091
State of Tennessee	44,111,599	0	44,111,599
Federal Government	702,050	8,666,461	9,368,511
Total Revenues	\$ 56,474,644	\$ 9,345,168	\$ 65,819,812
<u>Expenditures</u>			
Current:			
Instruction	\$ 32,972,913	\$ 2,709,627	\$ 35,682,540
Support Services	19,056,657	1,587,306	20,643,963
Operation of Non-instructional Services	843,802	4,891,353	5,735,155
Capital Outlay	639,121	0	639,121
Total Expenditures	\$ 53,512,493	\$ 9,188,286	\$ 62,700,779
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,962,151	\$ 156,882	\$ 3,119,033
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 15,570	\$ 0	\$ 15,570
Transfers Out	0	(15,570)	(15,570)
Total Other Financing Sources (Uses)	\$ 15,570	\$ (15,570)	\$ 0
Net Change in Fund Balances	\$ 2,977,721	\$ 141,312	\$ 3,119,033
Fund Balance, July 1, 2015	12,065,196	1,379,449	13,444,645
Fund Balance, June 30, 2016	\$ 15,042,917	\$ 1,520,761	\$ 16,563,678

Exhibit I-5

Bedford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 3,119,033
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,068,884	
Less: current-year depreciation expense	<u>(3,639,549)</u>	(2,570,665)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 12,000	
Less: book value of capital assets disposed	<u>(9,800)</u>	2,200
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 479,022	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(493,324)</u>	(14,302)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	\$ (55,936)	
Change in net pension asset - agency pension plan	(1,944,047)	
Change in net pension asset - teacher retirement pension plan	30,518	
Change in net pension liability - teacher legacy pension plan	(413,049)	
Change in deferred outflows of resources related to pensions	(63,765)	
Change in deferred inflows of resources related to pensions	<u>5,003,790</u>	<u>2,557,511</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,093,777</u>

Exhibit I-6

Bedford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2016

	<u>Special Revenue Funds</u>			Total
	School Federal Projects	Central Cafeteria	Extended School Program	Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 3,563	\$ 600	\$ 4,163
Equity in Pooled Cash and Investments	155,685	1,229,632	154,587	1,539,904
Inventories	0	50,073	0	50,073
Accounts Receivable	0	6,768	3,999	10,767
Allowance for Uncollectibles	0	0	(1,751)	(1,751)
Due from Other Governments	11,215	0	2,495	13,710
Total Assets	<u>\$ 166,900</u>	<u>\$ 1,290,036</u>	<u>\$ 159,930</u>	<u>\$ 1,616,866</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 2,551	\$ 2,551
Payroll Deductions Payable	57,067	34,408	2,079	93,554
Total Liabilities	<u>\$ 57,067</u>	<u>\$ 34,408</u>	<u>\$ 4,630</u>	<u>\$ 96,105</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 50,073	\$ 0	\$ 50,073
Restricted:				
Restricted for Education	9,833	1,205,555	0	1,215,388
Committed:				
Committed for Education	100,000	0	155,300	255,300
Total Fund Balances	<u>\$ 109,833</u>	<u>\$ 1,255,628</u>	<u>\$ 155,300</u>	<u>\$ 1,520,761</u>
Total Liabilities and Fund Balances	<u>\$ 166,900</u>	<u>\$ 1,290,036</u>	<u>\$ 159,930</u>	<u>\$ 1,616,866</u>

Exhibit I-7

Bedford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 248,615	\$ 429,142	\$ 677,757
Other Local Revenues	0	950	0	950
Federal Government	4,270,055	4,396,406	0	8,666,461
Total Revenues	<u>\$ 4,270,055</u>	<u>\$ 4,645,971</u>	<u>\$ 429,142</u>	<u>\$ 9,345,168</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,709,627	\$ 0	\$ 0	\$ 2,709,627
Support Services	1,536,150	48,156	3,000	1,587,306
Operation of Non-instructional Services	0	4,519,735	371,618	4,891,353
Total Expenditures	<u>\$ 4,245,777</u>	<u>\$ 4,567,891</u>	<u>\$ 374,618</u>	<u>\$ 9,188,286</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 24,278</u>	<u>\$ 78,080</u>	<u>\$ 54,524</u>	<u>\$ 156,882</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (15,570)	\$ 0	\$ 0	\$ (15,570)
Total Other Financing Sources (Uses)	<u>\$ (15,570)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (15,570)</u>
Net Change in Fund Balances	\$ 8,708	\$ 78,080	\$ 54,524	\$ 141,312
Fund Balance, July 1, 2015	101,125	1,177,548	100,776	1,379,449
Fund Balance, June 30, 2016	<u>\$ 109,833</u>	<u>\$ 1,255,628</u>	<u>\$ 155,300</u>	<u>\$ 1,520,761</u>

Exhibit I-8

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bedford County School Department
General Purpose School Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,432,324	\$ 0	\$ 0	\$ 11,432,324	\$ 10,727,604	\$ 10,727,604	\$ 704,720
Licenses and Permits	2,507	0	0	2,507	3,000	3,000	(493)
Charges for Current Services	125,023	0	0	125,023	98,507	149,667	(24,644)
Other Local Revenues	101,141	0	0	101,141	262,236	317,457	(216,316)
State of Tennessee	44,111,599	0	0	44,111,599	43,681,125	44,243,282	(131,683)
Federal Government	702,050	0	0	702,050	233,928	1,401,205	(699,155)
Total Revenues	\$ 56,474,644	\$ 0	\$ 0	\$ 56,474,644	\$ 55,006,400	\$ 56,842,215	\$ (367,571)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 28,206,842	\$ (750)	\$ 0	\$ 28,206,092	\$ 31,191,494	\$ 30,827,856	\$ 2,621,764
Alternative Instruction Program	480,438	0	0	480,438	503,641	503,641	23,203
Special Education Program	2,912,232	0	0	2,912,232	2,984,999	3,036,072	123,840
Vocational Education Program	1,141,034	0	0	1,141,034	1,307,519	1,308,142	167,108
Adult Education Program	232,367	0	0	232,367	195,629	234,807	2,440
<u>Support Services</u>							
Attendance	94,739	0	0	94,739	91,982	100,605	5,866
Health Services	466,204	0	0	466,204	468,865	478,800	12,596
Other Student Support	1,220,821	0	0	1,220,821	1,658,701	1,942,893	722,072
Regular Instruction Program	1,576,658	0	0	1,576,658	1,302,149	2,168,751	592,093
Special Education Program	292,602	0	0	292,602	298,015	305,962	13,360
Vocational Education Program	24,564	0	0	24,564	31,008	31,213	6,649
Adult Programs	102,601	0	0	102,601	116,276	107,624	5,023
Other Programs	137,249	0	0	137,249	0	137,249	0
Board of Education	839,214	0	0	839,214	847,466	894,211	54,997
Director of Schools	320,189	0	0	320,189	327,952	328,886	8,697
Office of the Principal	3,363,599	(2,084)	0	3,361,515	3,360,818	3,388,030	26,515
Human Services/Personnel	167,390	0	0	167,390	146,991	183,716	16,326
Operation of Plant	4,768,839	0	0	4,768,839	5,838,319	5,849,405	1,080,566

(Continued)

Exhibit I-8

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bedford County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 1,503,352	\$ 0	\$ 34,161	\$ 1,537,513	\$ 1,612,060	\$ 1,718,372	\$ 180,859
Transportation	2,565,269	(29,440)	0	2,535,829	3,141,025	3,141,078	605,249
Central and Other	1,613,367	0	0	1,613,367	1,700,824	1,700,824	87,457
<u>Operation of Non-instructional Services</u>							
Food Service	60,430	0	0	60,430	64,435	64,435	4,005
Community Services	322,763	0	0	322,763	164,098	383,627	60,864
Early Childhood Education	460,609	0	0	460,609	0	487,093	26,484
<u>Capital Outlay</u>							
Regular Capital Outlay	639,121	(260,258)	308,216	687,079	921,250	925,301	238,222
Total Expenditures	\$ 53,512,493	\$ (292,532)	\$ 342,377	\$ 53,562,338	\$ 58,275,516	\$ 60,248,593	\$ 6,686,255
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,962,151	\$ 292,532	\$ (342,377)	\$ 2,912,306	\$ (3,269,116)	\$ (3,406,378)	\$ 6,318,684
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,704	\$ 0	\$ 0
Transfers In	15,570	0	0	15,570	8,000	8,000	7,570
Transfers Out	0	0	0	0	(36,725)	0	0
Total Other Financing Sources	\$ 15,570	\$ 0	\$ 0	\$ 15,570	\$ (21,021)	\$ 8,000	\$ 7,570
Net Change in Fund Balance	\$ 2,977,721	\$ 292,532	\$ (342,377)	\$ 2,927,876	\$ (3,290,137)	\$ (3,398,378)	\$ 6,326,254
Fund Balance, July 1, 2015	12,065,196	(292,532)	0	11,772,664	6,437,625	12,065,196	(292,532)
Fund Balance, June 30, 2016	\$ 15,042,917	\$ 0	\$ (342,377)	\$ 14,700,540	\$ 3,147,488	\$ 8,666,818	\$ 6,033,722

Exhibit I-9

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,270,055	\$ 4,306,931	\$ 4,984,563	\$ (714,508)
Total Revenues	<u>\$ 4,270,055</u>	<u>\$ 4,306,931</u>	<u>\$ 4,984,563</u>	<u>\$ (714,508)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,720,117	\$ 1,750,499	\$ 1,917,161	\$ 197,044
Special Education Program	898,529	884,249	928,181	29,652
Vocational Education Program	90,981	90,129	91,066	85
<u>Support Services</u>				
Health Services	186,116	225,093	187,840	1,724
Other Student Support	97,078	100,975	139,916	42,838
Regular Instruction Program	620,321	615,175	1,030,231	409,910
Special Education Program	238,683	266,395	265,536	26,853
Vocational Education Program	4,530	2,500	4,533	3
Transportation	389,422	356,286	404,528	15,106
Total Expenditures	<u>\$ 4,245,777</u>	<u>\$ 4,291,301</u>	<u>\$ 4,968,992</u>	<u>\$ 723,215</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 24,278</u>	<u>\$ 15,630</u>	<u>\$ 15,571</u>	<u>\$ 8,707</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (15,570)	\$ (15,630)	\$ (15,570)	\$ 0
Total Other Financing Sources	<u>\$ (15,570)</u>	<u>\$ (15,630)</u>	<u>\$ (15,570)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 8,708	\$ 0	\$ 1	\$ 8,707
Fund Balance, July 1, 2015	<u>101,125</u>	<u>101,125</u>	<u>101,125</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 109,833</u>	<u>\$ 101,125</u>	<u>\$ 101,126</u>	<u>\$ 8,707</u>

Exhibit I-10

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 248,615	\$ 400,000	\$ 400,000	\$ (151,385)
Other Local Revenues	950	1,000	1,000	(50)
Federal Government	4,396,406	4,200,000	4,546,041	(149,635)
Total Revenues	<u>\$ 4,645,971</u>	<u>\$ 4,601,000</u>	<u>\$ 4,947,041</u>	<u>\$ (301,070)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 48,156	\$ 48,156	\$ 48,156	\$ 0
<u>Operation of Non-instructional Services</u>				
Food Service	4,519,735	5,131,005	5,499,058	979,323
Total Expenditures	<u>\$ 4,567,891</u>	<u>\$ 5,179,161</u>	<u>\$ 5,547,214</u>	<u>\$ 979,323</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 78,080</u>	<u>\$ (578,161)</u>	<u>\$ (600,173)</u>	<u>\$ 678,253</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (22,012)	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (22,012)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 78,080	\$ (600,173)	\$ (600,173)	\$ 678,253
Fund Balance, July 1, 2015	1,177,548	1,063,244	1,109,234	68,314
Fund Balance, June 30, 2016	<u>\$ 1,255,628</u>	<u>\$ 463,071</u>	<u>\$ 509,061</u>	<u>\$ 746,567</u>

Exhibit I-11

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County School Department
Extended School Program Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 429,142	\$ 399,249	\$ 399,249	\$ 29,893
Total Revenues	\$ 429,142	\$ 399,249	\$ 399,249	\$ 29,893
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
<u>Operation of Non-instructional Services</u>				
Community Services	371,618	396,271	403,471	31,853
Total Expenditures	\$ 374,618	\$ 399,271	\$ 406,471	\$ 31,853
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,524	\$ (22)	\$ (7,222)	\$ 61,746
Net Change in Fund Balance	\$ 54,524	\$ (22)	\$ (7,222)	\$ 61,746
Fund Balance, July 1, 2015	100,776	106,865	100,776	0
Fund Balance, June 30, 2016	\$ 155,300	\$ 106,843	\$ 93,554	\$ 61,746

MISCELLANEOUS SCHEDULES

Exhibit J-1

Bedford County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-16
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway - Hot Mix Road Program	\$ 2,000,000	1.53%	11-14-14	11-14-19	\$ 2,000,000	\$ 0	\$ 400,000	\$ 1,600,000
Sheriff Vehicles	385,000	1.55	1-29-16	1-29-19	0	385,000	0	385,000
						0		
Total Notes Payable					\$ 2,000,000	\$ 385,000	\$ 400,000	\$ 1,985,000
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School	8,000,000	variable	5-23-1997	5-25-17	\$ 1,215,000	\$ 0	\$ 592,000	\$ 623,000
Total Other Loans Payable					\$ 1,215,000	\$ 0	\$ 592,000	\$ 623,000
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation School Refunding	2,700,000	1.8	4-12-12	3-29-16	\$ 720,000	\$ 0	\$ 720,000	\$ 0
General Obligation School Refunding	8,405,000	2.09	3-25-13	4-1-23	6,960,000	0	760,000	6,200,000
General Obligation School	6,500,000	3.75	12-14-06	6-30-27	4,455,000	0	300,000	4,155,000
General Obligation School Refunding	44,000,000	4 to 5	6-14-07	4-1-37	37,520,000	0	1,070,000	36,450,000
General Obligation School Refunding	2,610,000	2.6	4-15-15	4-1-25	2,610,000	0	220,000	2,390,000
Total Bonds Payable					\$ 52,265,000	\$ 0	\$ 3,070,000	\$ 49,195,000

Exhibit J-2

Bedford County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 526,365	\$ 27,387	\$ 553,752
2018	528,323	19,309	547,632
2019	530,312	11,200	541,512
2020	400,000	3,060	403,060
	<u>\$ 1,985,000</u>	<u>\$ 60,956</u>	<u>\$ 2,045,956</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2017	\$ 623,000	\$ 3,769	\$ 4,247	\$ 631,016

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 2,435,000	\$ 1,996,870	\$ 4,431,870
2018	2,520,000	1,907,385	4,427,385
2019	2,630,000	1,826,242	4,456,242
2020	2,725,000	1,741,543	4,466,543
2021	2,840,000	1,652,227	4,492,227
2022	2,960,000	1,557,464	4,517,464
2023	3,080,000	1,455,317	4,535,317
2024	2,175,000	1,349,036	3,524,036
2025	2,265,000	1,259,803	3,524,803
2026	2,045,000	1,168,837	3,213,837
2027	2,130,000	1,072,087	3,202,087
2028	1,745,000	971,275	2,716,275
2029	1,825,000	884,025	2,709,025
2030	1,905,000	801,900	2,706,900
2031	1,990,000	716,175	2,706,175
2032	2,075,000	626,625	2,701,625
2033	2,170,000	533,250	2,703,250
2034	2,265,000	435,600	2,700,600
2035	2,365,000	333,675	2,698,675
2036	2,470,000	227,250	2,697,250
2037	2,580,000	116,099	2,696,099
Total	<u>\$ 49,195,000</u>	<u>\$ 22,632,685</u>	<u>\$ 71,827,685</u>

Exhibit J-3

Bedford County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Retire debt	<u>\$ 205,830</u>
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	<u>\$ 15,570</u>

Exhibit J-4

Bedford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 89,270	\$ 100,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i> , and County Commission	100,019 (1)	100,000	"
Superintendent of Schools	State Board of Education and County Commission	108,556 (2)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	71,263 (3)	1,888,893	Auto-Owners (Mutual) Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	72,013 (4)	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	70,263	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	88,039 (5)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	78,289 (3) (6)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	71,263 (3)	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	85,019	100,000	"
Finance Director	County Commission	94,067 (7)	100,000	"
<u>Other Bonds</u>				
Employee Fidelity - General Government			150,000	Tennessee Risk Management Trust
Employee Blanket Bond - Discretely Presented School Department			150,000	"

(1) Includes \$15,000 for serving as a solid waste administrative officer.

(2) Includes a travel allowance of \$2,400.

(3) Includes a level-three training incentive pay of \$1,000.

(4) Includes a level-three training incentive pay of \$1,000 and a Tennessee certified assessor's pay of \$750.

(5) Includes an additional ten percent of clerk's salary for overseeing more than one court and \$10,750 for serving as a traffic school administrative officer.

(6) Includes an additional ten percent of clerk's salary for overseeing more than one court. Does not include special commissioner fees of \$4,921.

(7) Does not includes 100 percent of the premiums for family health and dental insurance (\$16,866) or longevity (\$2,000).

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2016

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,886,617	\$ 0	\$ 0	\$ 320,237	\$ 800,594	\$ 10,007,448
Trustee's Collections - Prior Year	287,802	0	0	10,371	25,954	324,127
Trustee's Collections - Bankruptcy	5,014	0	0	181	461	5,656
Circuit Clerk/Clerk and Master Collections - Prior Years	140,280	0	0	5,055	12,638	157,973
Interest and Penalty	53,969	0	0	1,945	4,944	60,858
Payments in-Lieu-of Taxes - T.V.A.	403,987	0	0	14,558	36,395	454,940
Payments in-Lieu-of Taxes - Local Utilities	75,476	0	0	2,720	6,800	84,996
Payments in-Lieu-of Taxes - Other	125,397	0	0	4,519	11,297	141,213
<u>County Local Option Taxes</u>						
Local Option Sales Tax	243,432	0	0	0	5,829,277	6,072,709
Litigation Tax - General	189,359	0	0	0	0	189,359
Litigation Tax - Jail, Workhouse, or Courthouse	90,519	0	0	0	0	90,519
Litigation Tax - Courthouse Security	99,575	0	0	0	0	99,575
Business Tax	447,762	0	0	0	0	447,762
Mixed Drink Tax	4,411	0	0	0	0	4,411
Mineral Severance Tax	0	0	0	122,277	0	122,277
Adequate Facilities/Development Tax	0	0	0	0	304,257	304,257
<u>Statutory Local Taxes</u>						
Bank Excise Tax	61,349	0	0	0	0	61,349
Wholesale Beer Tax	188,933	0	0	0	0	188,933
Interstate Telecommunications Tax	1,797	0	0	0	0	1,797
Total Local Taxes	\$ 11,305,679	\$ 0	\$ 0	\$ 481,863	\$ 7,032,617	\$ 18,820,159

(Continued)

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 44,945	\$ 0	\$ 0	\$ 0	\$ 0	44,945
<u>Permits</u>						
Beer Permits	2,156	0	0	0	0	2,156
Building Permits	162,520	0	0	0	0	162,520
Other Permits	25,020	0	0	0	0	25,020
Total Licenses and Permits	\$ 234,641	\$ 0	\$ 0	\$ 0	\$ 0	234,641
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Officers Costs	\$ 8,038	\$ 0	\$ 0	\$ 0	\$ 0	8,038
DUI Treatment Fines	95	0	0	0	0	95
Data Entry Fee - Circuit Court	1,620	0	0	0	0	1,620
<u>Criminal Court</u>						
Interpreter Fee	95	0	0	0	0	95
<u>General Sessions Court</u>						
Officers Costs	56,489	0	0	0	0	56,489
Game and Fish Fines	639	0	0	0	0	639
Drug Control Fines	0	1,510	0	0	0	1,510
Jail Fees	15,377	0	0	0	0	15,377
DUI Treatment Fines	11,535	0	0	0	0	11,535
Data Entry Fee - General Sessions Court	14,868	0	0	0	0	14,868
<u>Juvenile Court</u>						
Fines	62,958	0	0	0	0	62,958
Jail Fees	271,046	0	0	0	0	271,046

(Continued)

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 2,931	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,931
Data Entry Fee - Chancery Court	7,371	0	0	0	0	7,371
Courtroom Security Fee	15	0	0	0	0	15
<u>Other Courts - In-county</u>						
Fines	6,718	0	0	0	0	6,718
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	4,869	1,395	0	0	0	6,264
Total Fines, Forfeitures, and Penalties	\$ 464,664	\$ 2,905	\$ 0	\$ 0	\$ 0	\$ 467,569
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 1,425,288	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,425,288
Other General Service Charges	888	0	0	0	0	888
Service Charges	250	0	0	0	0	250
<u>Fees</u>						
Copy Fees	189	0	0	0	0	189
Archives and Records Management Fee	20,468	0	0	0	0	20,468
Telephone Commissions	53,715	0	0	0	0	53,715
Constitutional Officers' Fees and Commissions	0	0	215	0	0	215
Special Commissioner Fees/Special Master Fees	0	0	4,921	0	0	4,921
Data Processing Fee - Register	15,098	0	0	0	0	15,098
Probation Fees	376,192	0	0	0	0	376,192
Data Processing Fee - Sheriff	4,790	0	0	0	0	4,790
Sexual Offender Registration Fee - Sheriff	8,147	0	0	0	0	8,147
Data Processing Fee - County Clerk	5,553	0	0	0	0	5,553

(Continued)

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges</u>						
Other Charges for Services	\$ 109,696	\$ 0	\$ 0	\$ 0	\$ 0	\$ 109,696
Total Charges for Current Services	\$ 2,020,274	\$ 0	\$ 5,136	\$ 0	\$ 0	\$ 2,025,410
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91,060	\$ 91,060
Lease/Rentals	232,788	0	0	0	0	232,788
Sale of Materials and Supplies	0	0	0	1,323	0	1,323
Commissary Sales	10,811	0	0	0	0	10,811
Sale of Gasoline	0	0	0	7,484	0	7,484
Sale of Maps	30	0	0	0	0	30
Sale of Recycled Materials	44,724	0	0	642	0	45,366
Sale of Animals/Livestock	2,726	0	0	0	0	2,726
Miscellaneous Refunds	161,284	0	0	28,477	0	189,761
<u>Nonrecurring Items</u>						
Sale of Equipment	13,608	0	0	0	0	13,608
Sale of Property	3,895	0	0	0	0	3,895
Contributions and Gifts	48,088	0	0	0	0	48,088
<u>Other Local Revenues</u>						
Other Local Revenues	17,251	0	0	0	0	17,251
Total Other Local Revenues	\$ 535,205	\$ 0	\$ 0	\$ 37,926	\$ 91,060	\$ 664,191
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 461,232	\$ 0	\$ 0	\$ 0	\$ 0	\$ 461,232

(Continued)

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Circuit Court Clerk	\$ 134,676	\$ 0	\$ 0	\$ 0	\$ 0	\$ 134,676
General Sessions Court Clerk	450,339	0	0	0	0	450,339
Clerk and Master	200,804	0	0	0	0	200,804
Register	187,173	0	0	0	0	187,173
Sheriff	22,363	0	0	0	0	22,363
Trustee	646,579	0	0	0	0	646,579
Total Fees Received From County Officials	\$ 2,103,166	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,103,166
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
On-behalf Contributions for OPEB	1,350	0	0	0	0	1,350
<u>Health and Welfare Grants</u>						
Health Department Programs	395,458	0	0	0	0	395,458
<u>Public Works Grants</u>						
Bridge Program	0	0	0	229,796	0	229,796
State Aid Program	0	0	0	40,869	0	40,869
Litter Program	0	0	0	43,300	0	43,300
<u>Other State Revenues</u>						
Income Tax	332,268	0	0	0	0	332,268
Beer Tax	18,488	0	0	0	0	18,488
Vehicle Certificate of Title Fees	10,807	0	0	0	0	10,807
Alcoholic Beverage Tax	83,938	0	0	0	0	83,938
Emergency Hospital - Prisoners	28	0	0	0	0	28
Contracted Prisoner Boarding	577,200	0	0	0	0	577,200

(Continued)

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 1,955,509	\$ 0	\$ 1,955,509
Petroleum Special Tax	0	0	0	32,511	0	32,511
Registrar's Salary Supplement	15,164	0	0	0	0	15,164
State Shared Sales Tax - Cities	7,100	0	0	0	0	7,100
Other State Grants	2,958	0	0	9,861	0	12,819
Other State Revenues	63,820	0	0	0	0	63,820
Total State of Tennessee	\$ 1,517,579	\$ 0	\$ 0	\$ 2,311,846	\$ 0	\$ 3,829,425
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 45,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,850
Disaster Relief	8,388	0	0	100,604	0	108,992
Homeland Security Grants	17,590	0	0	0	0	17,590
Other Federal through State	25,909	0	0	0	0	25,909
Total Federal Government	\$ 97,737	\$ 0	\$ 0	\$ 100,604	\$ 0	\$ 198,341
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 80,073	\$ 0	\$ 80,073
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 80,073	\$ 0	\$ 80,073
Total	\$ 18,278,945	\$ 2,905	\$ 5,136	\$ 3,012,312	\$ 7,123,677	\$ 28,422,975

Exhibit J-6

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,166,073	\$ 0	\$ 0	\$ 0	\$ 8,166,073	
Trustee's Collections - Prior Year	264,442	0	0	0	264,442	
Trustee's Collections - Bankruptcy	4,598	0	0	0	4,598	
Circuit Clerk/Clerk and Master Collections - Prior Years	128,906	0	0	0	128,906	
Interest and Penalty	49,590	0	0	0	49,590	
Payments in-Lieu-of Taxes - T.V.A.	371,231	0	0	0	371,231	
Payments in-Lieu-of Taxes - Local Utilities	69,357	0	0	0	69,357	
Payments in-Lieu-of Taxes - Other	115,230	0	0	0	115,230	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	2,234,338	0	0	0	2,234,338	
Mixed Drink Tax	24,777	0	0	0	24,777	
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	3,782	0	0	0	3,782	
Total Local Taxes	\$ 11,432,324	\$ 0	\$ 0	\$ 0	\$ 11,432,324	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,507	\$ 0	\$ 0	\$ 0	\$ 2,507	
Total Licenses and Permits	\$ 2,507	\$ 0	\$ 0	\$ 0	\$ 2,507	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 1,340	\$ 0	\$ 0	\$ 0	\$ 1,340	
Tuition - Other	0	0	0	429,142	429,142	

(Continued)

Exhibit J-6

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 111,546	\$ 0	\$ 111,546
A la Carte Sales	0	0	137,069	0	137,069
Receipts from Individual Schools	121,341	0	0	0	121,341
Other Charges for Services	2,342	0	0	0	2,342
Total Charges for Current Services	\$ 125,023	\$ 0	\$ 248,615	\$ 429,142	\$ 802,780
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 902	\$ 0	\$ 902
Lease/Rentals	15,450	0	0	0	15,450
Miscellaneous Refunds	65,432	0	48	0	65,480
<u>Nonrecurring Items</u>					
Sale of Equipment	4,257	0	0	0	4,257
Sale of Property	9,800	0	0	0	9,800
Damages Recovered from Individuals	52	0	0	0	52
Contributions and Gifts	6,150	0	0	0	6,150
Total Other Local Revenues	\$ 101,141	\$ 0	\$ 950	\$ 0	\$ 102,091
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 137,249	\$ 0	\$ 0	\$ 0	\$ 137,249
<u>State Education Funds</u>					
Basic Education Program	42,706,000	0	0	0	42,706,000
Early Childhood Education	460,610	0	0	0	460,610

(Continued)

Exhibit J-6

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program		
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
School Food Service	\$ 49,557	\$ 0	\$ 0	\$ 0	\$ 0	49,557
Driver Education	29,266	0	0	0	0	29,266
Other State Education Funds	534,441	0	0	0	0	534,441
Career Ladder Program	190,299	0	0	0	0	190,299
<u>Other State Revenues</u>						
Other State Grants	4,177	0	0	0	0	4,177
Total State of Tennessee	<u>\$ 44,111,599</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>44,111,599</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,115,450	\$ 0	\$ 0	3,115,450
USDA - Commodities	0	0	267,240	0	0	267,240
Breakfast	0	0	940,584	0	0	940,584
USDA - Other	11,174	0	73,132	0	0	84,306
Adult Education State Grant Program	241,402	0	0	0	0	241,402
Vocational Education - Basic Grants to States	0	124,898	0	0	0	124,898
Title I Grants to Local Education Agencies	0	2,000,267	0	0	0	2,000,267
Special Education - Grants to States	0	1,663,969	0	0	0	1,663,969
Special Education Preschool Grants	0	46,862	0	0	0	46,862
English Language Acquisition Grants	0	84,142	0	0	0	84,142
Rural Education	0	124,688	0	0	0	124,688
Education for Homeless Children and Youth	0	33,200	0	0	0	33,200
Eisenhower Professional Development State Grants	0	192,029	0	0	0	192,029
Disaster Relief	4,774	0	0	0	0	4,774
Other Federal through State	374,722	0	0	0	0	374,722

(Continued)

Exhibit J-6

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	\$ 69,978	\$ 0	\$ 0	\$ 0	\$ 69,978
Total Federal Government	<u>\$ 702,050</u>	<u>\$ 4,270,055</u>	<u>\$ 4,396,406</u>	<u>\$ 0</u>	<u>\$ 9,368,511</u>
 Total	 <u>\$ 56,474,644</u>	 <u>\$ 4,270,055</u>	 <u>\$ 4,645,971</u>	 <u>\$ 429,142</u>	 <u>\$ 65,819,812</u>

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2016

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	97,237	
Social Security		5,697	
Pensions		2,530	
Employer Medicare		1,410	
Advertising		4,619	
Total County Commission			\$ 111,493

Board of Equalization

Board and Committee Members Fees	\$	3,525	
Total Board of Equalization			3,525

Beer Board

Board and Committee Members Fees	\$	325	
Total Beer Board			325

Budget and Finance Committee

Board and Committee Members Fees	\$	1,800	
Social Security		112	
Pensions		47	
Employer Medicare		26	
Total Budget and Finance Committee			1,985

County Mayor/Executive

County Official/Administrative Officer	\$	89,270	
Supervisor/Director		28,022	
Secretary(ies)		32,906	
Part-time Personnel		21,065	
Longevity Pay		450	
Social Security		10,436	
Pensions		6,438	
Life Insurance		92	
Medical Insurance		7,019	
Unemployment Compensation		600	
Employer Medicare		2,441	
Communication		1,953	
Maintenance Agreements		1,363	
Pest Control		94	
Postal Charges		858	
Travel		443	
Gasoline		51	
Office Supplies		1,848	
In Service/Staff Development		149	
Other Charges		245	
Office Equipment		47	
Total County Mayor/Executive			205,790

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$ 52,275	
Total County Attorney		\$ 52,275

Election Commission

County Official/Administrative Officer	\$ 63,237	
Assistant(s)	30,330	
Part-time Personnel	64	
Longevity Pay	750	
Overtime Pay	523	
Election Commission	1,275	
Social Security	6,313	
Pensions	4,223	
Life Insurance	116	
Medical Insurance	3,525	
Unemployment Compensation	458	
Employer Medicare	1,476	
Communication	976	
Data Processing Services	2,900	
Dues and Memberships	175	
Maintenance Agreements	10,640	
Pest Control	94	
Postal Charges	1,220	
Printing, Stationery, and Forms	2,737	
Travel	2,220	
Other Contracted Services	244	
Office Supplies	2,737	
Other Supplies and Materials	396	
In Service/Staff Development	2,842	
Data Processing Equipment	8,340	
Office Equipment	228	
Total Election Commission		148,039

Register of Deeds

County Official/Administrative Officer	\$ 70,263
Assistant(s)	113,219
Educational Incentive - Official/Admin Officer	1,000
Longevity Pay	5,100
Social Security	10,923
Pensions	9,953
Life Insurance	281
Medical Insurance	21,809
Unemployment Compensation	441
Employer Medicare	2,555
Communication	2,492
Data Processing Services	18,637
Dues and Memberships	800
Maintenance Agreements	339

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Postal Charges	\$	684	
Travel		1,661	
Other Contracted Services		8,000	
Office Supplies		3,265	
Other Charges		558	
Office Equipment		11,061	
Total Register of Deeds			\$ 283,041

Planning

Part-time Personnel	\$	20,394	
Longevity Pay		1,050	
Other Salaries and Wages		122,518	
Board and Committee Members Fees		1,350	
In-service Training		695	
Social Security		8,534	
Pensions		6,318	
Life Insurance		224	
Medical Insurance		19,030	
Unemployment Compensation		666	
Employer Medicare		1,996	
Communication		2,288	
Dues and Memberships		318	
Legal Notices, Recording, and Court Costs		183	
Postal Charges		203	
Other Contracted Services		7,670	
Office Supplies		764	
Small Tools		75	
Other Charges		296	
Data Processing Equipment		57	
Other Equipment		17,049	
Total Planning			211,678

Codes Compliance

Longevity Pay	\$	1,050	
Other Salaries and Wages		40,710	
Social Security		2,244	
Pensions		2,192	
Life Insurance		57	
Medical Insurance		5,451	
Unemployment Compensation		112	
Employer Medicare		525	
Communication		870	
Dues and Memberships		135	
Legal Notices, Recording, and Court Costs		239	
Maintenance and Repair Services - Vehicles		633	
Travel		539	
Other Contracted Services		988	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Gasoline	\$	1,299	
Office Supplies		522	
Total Codes Compliance			\$ 57,566

County Buildings

Custodial Personnel	\$	22,866	
Maintenance Personnel		35,928	
Longevity Pay		1,050	
Overtime Pay		508	
Social Security		3,437	
Pensions		2,753	
Life Insurance		134	
Medical Insurance		10,535	
Unemployment Compensation		357	
Employer Medicare		804	
Architects		60,365	
Communication		26,437	
Maintenance and Repair Services - Buildings		114,183	
Maintenance and Repair Services - Equipment		1,304	
Pest Control		739	
Other Contracted Services		849	
Custodial Supplies		7,589	
Utilities		125,285	
Other Supplies and Materials		7,825	
Other Charges		5,336	
Building Improvements		54,127	
Office Equipment		2,976	
Other Equipment		26	
Total County Buildings			485,413

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	94,067	
Accountants/Bookkeepers		192,861	
Clerical Personnel		27,764	
Longevity Pay		10,800	
Other Salaries and Wages		12,015	
In-service Training		920	
Social Security		18,341	
Pensions		12,975	
Life Insurance		402	
Medical Insurance		22,411	
Unemployment Compensation		1,242	
Employer Medicare		4,403	
Communication		33,345	
Data Processing Services		15,683	
Dues and Memberships		2,850	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance and Repair Services - Equipment	\$	140	
Postal Charges		4,966	
Travel		209	
Other Contracted Services		1,037	
Data Processing Supplies		2,515	
Office Supplies		8,888	
Premiums on Corporate Surety Bonds		1,020	
Other Charges		3,244	
Data Processing Equipment		1,305	
Office Equipment		564	
Total Accounting and Budgeting			\$ 473,967

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Assistant(s)		31,397	
Deputy(ies)		28,156	
Data Processing Personnel		29,606	
Secretary(ies)		32,331	
Clerical Personnel		29,468	
Part-time Personnel		9,301	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		8,000	
Overtime Pay		5,377	
Other Salaries and Wages		750	
In-service Training		30	
Social Security		14,224	
Pensions		11,394	
Life Insurance		324	
Medical Insurance		29,080	
Unemployment Compensation		744	
Employer Medicare		3,334	
Communication		1,970	
Data Processing Services		12,483	
Dues and Memberships		1,975	
Maintenance Agreements		1,548	
Maintenance and Repair Services - Equipment		5,141	
Postal Charges		1,262	
Rentals		18,600	
Travel		274	
Other Contracted Services		8,524	
Gasoline		1,736	
Office Supplies		1,938	
Other Charges		1,464	
Total Property Assessor's Office			361,694

Reappraisal Program

Clerical Personnel	\$	615	
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(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Longevity Pay	\$	2,000	
Other Salaries and Wages		42,493	
Social Security		2,663	
Pensions		2,368	
Life Insurance		60	
Medical Insurance		5,844	
Unemployment Compensation		112	
Employer Medicare		623	
Data Processing Services		4,152	
Postal Charges		8,158	
Printing, Stationery, and Forms		109	
Office Supplies		2,899	
Other Charges		1,746	
Total Reappraisal Program			\$ 73,842

County Trustee's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		120,996	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		4,750	
Overtime Pay		698	
In-service Training		375	
Social Security		12,116	
Pensions		10,380	
Life Insurance		286	
Medical Insurance		21,147	
Unemployment Compensation		448	
Employer Medicare		2,834	
Communication		2,433	
Data Processing Services		4,746	
Dues and Memberships		970	
Legal Notices, Recording, and Court Costs		270	
Maintenance Agreements		13,263	
Postal Charges		7,865	
Travel		2,469	
Office Supplies		3,747	
Other Charges		110	
Office Equipment		3,306	
Total County Trustee's Office			284,472

County Clerk's Office

County Official/Administrative Officer	\$	70,263
Deputy(ies)		228,389
Longevity Pay		7,300
Social Security		17,586
Pensions		14,309
Life Insurance		508

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Medical Insurance	\$	39,041	
Unemployment Compensation		1,122	
Employer Medicare		4,113	
Communication		2,165	
Dues and Memberships		725	
Maintenance Agreements		11,115	
Postal Charges		12,594	
Travel		2,201	
Office Supplies		10,267	
Other Charges		15	
Data Processing Equipment		636	
Furniture and Fixtures		66	
Office Equipment		1,454	
Total County Clerk's Office			\$ 423,869

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	77,289	
Deputy(ies)		274,678	
Part-time Personnel		15,399	
Longevity Pay		8,650	
Other Salaries and Wages		37,640	
Jury and Witness Expense		18,959	
Social Security		24,705	
Pensions		20,270	
Life Insurance		579	
Medical Insurance		35,502	
Unemployment Compensation		1,378	
Employer Medicare		5,778	
Communication		4,964	
Data Processing Services		10,259	
Dues and Memberships		1,130	
Legal Notices, Recording, and Court Costs		460	
Maintenance Agreements		18,017	
Pest Control		94	
Postal Charges		6,208	
Other Contracted Services		954	
Office Supplies		17,196	
In Service/Staff Development		3,624	
Other Charges		2,094	
Data Processing Equipment		17,472	
Office Equipment		12,300	
Total Circuit Court			615,599

General Sessions Court

Judge(s)	\$	153,243
Secretary(ies)		27,207

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

In-service Training	\$	200	
Social Security		8,814	
Pensions		9,474	
Life Insurance		114	
Medical Insurance		10,905	
Unemployment Compensation		112	
Employer Medicare		2,515	
Communication		2,736	
Dues and Memberships		50	
Rentals		4,000	
Travel		155	
Office Supplies		185	
Total General Sessions Court			\$ 219,710

Chancery Court

County Official/Administrative Officer	\$	77,289	
Assistant(s)		122,759	
Part-time Personnel		3,831	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		4,500	
Social Security		12,435	
Pensions		8,847	
Life Insurance		262	
Medical Insurance		17,530	
Unemployment Compensation		625	
Employer Medicare		2,908	
Communication		1,705	
Data Processing Services		14,160	
Dues and Memberships		1,602	
Maintenance Agreements		1,549	
Pest Control		94	
Postal Charges		1,500	
Travel		132	
Office Supplies		5,989	
Premiums on Corporate Surety Bonds		12	
In Service/Staff Development		2,799	
Data Processing Equipment		198	
Office Equipment		1,259	
Total Chancery Court			282,985

Juvenile Court

Youth Service Officer(s)	\$	43,494	
Social Workers		75,632	
Salary Supplements		9,459	
Longevity Pay		3,050	
In-service Training		500	
Social Security		8,076	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Pensions	\$	6,911	
Life Insurance		171	
Medical Insurance		2,350	
Unemployment Compensation		316	
Employer Medicare		1,889	
Communication		5,193	
Contracts with Government Agencies		5,005	
Rentals		8,000	
Travel		638	
Office Supplies		236	
Other Charges		24,503	
Total Juvenile Court			\$ 195,423

Judicial Commissioners

Deputy(ies)	\$	130,252	
Part-time Personnel		10,789	
Longevity Pay		3,700	
Social Security		8,618	
Pensions		7,033	
Life Insurance		185	
Medical Insurance		11,926	
Unemployment Compensation		563	
Employer Medicare		2,016	
Communication		610	
Maintenance Agreements		796	
Office Supplies		189	
Furniture and Fixtures		65	
Total Judicial Commissioners			176,742

Other Administration of Justice

Probation Officer(s)	\$	35,459	
Guidance Personnel		43,929	
Longevity Pay		1,700	
In-service Training		200	
Social Security		4,724	
Pensions		4,257	
Life Insurance		114	
Medical Insurance		10,904	
Unemployment Compensation		224	
Employer Medicare		1,105	
Communication		2,756	
Contracts with Government Agencies		7,330	
Rentals		4,000	
Travel		75	
Office Supplies		574	
Total Other Administration of Justice			117,351

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services

County Official/Administrative Officer	\$	45,614	
Clerical Personnel		162,021	
Longevity Pay		7,550	
Social Security		12,921	
Pensions		10,689	
Life Insurance		397	
Medical Insurance		32,130	
Unemployment Compensation		886	
Employer Medicare		3,022	
Communication		5,679	
Data Processing Services		1,500	
Maintenance Agreements		1,197	
Postal Charges		392	
Printing, Stationery, and Forms		1,596	
Rentals		16,800	
Travel		118	
Drugs and Medical Supplies		6,230	
Office Supplies		4,144	
Other Charges		1,877	
Data Processing Equipment		2,826	
Furniture and Fixtures		160	
Office Equipment		994	
Total Probation Services			\$ 318,743

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	85,019
Assistant(s)		118,507
Supervisor/Director		20,974
Deputy(ies)		662,640
Detective(s)		113,384
Lieutenant(s)		162,962
Sergeant(s)		154,160
Salary Supplements		20,400
Dispatchers/Radio Operators		103,749
Secretary(ies)		65,082
School Resource Officer		264,085
Overtime Pay		79,932
Other Salaries and Wages		55,895
In-service Training		14,493
Social Security		113,546
Pensions		94,232
Life Insurance		2,566
Medical Insurance		184,133
Unemployment Compensation		5,362
Employer Medicare		26,555
Communication		29,837

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Dues and Memberships	\$	2,109	
Evaluation and Testing		305	
Maintenance Agreements		867	
Maintenance and Repair Services - Buildings		2,607	
Maintenance and Repair Services - Vehicles		42,340	
Medical and Dental Services		875	
Postal Charges		2,027	
Travel		3,805	
Other Contracted Services		4,700	
Custodial Supplies		1,399	
Gasoline		68,920	
Office Supplies		6,892	
Tires and Tubes		11,510	
Uniforms		16,205	
Utilities		14,033	
Other Supplies and Materials		1,919	
Other Charges		6,701	
Building Improvements		1,264	
Communication Equipment		209	
Heating and Air Conditioning Equipment		5,307	
Law Enforcement Equipment		80,220	
Motor Vehicles		300,038	
Office Equipment		7,607	
Total Sheriff's Department			\$ 2,959,372

Traffic Control

Other Salaries and Wages	\$	27,550	
Social Security		1,708	
Pensions		1,446	
Employer Medicare		399	
Dues and Memberships		340	
Other Charges		4,967	
Total Traffic Control			36,410

Jail

Supervisor/Director	\$	92,670	
Lieutenant(s)		35,804	
Sergeant(s)		131,213	
Data Processing Personnel		67,200	
Guards		432,526	
Maintenance Personnel		34,744	
Overtime Pay		62,500	
In-service Training		600	
Social Security		50,349	
Pensions		33,482	
Life Insurance		1,488	
Medical Insurance		99,032	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Unemployment Compensation	\$	4,539	
Employer Medicare		11,775	
Communication		16,162	
Maintenance Agreements		12,351	
Maintenance and Repair Services - Buildings		14,660	
Maintenance and Repair Services - Equipment		4,002	
Medical and Dental Services		334,663	
Postal Charges		1,782	
Travel		510	
Other Contracted Services		260	
Custodial Supplies		20,361	
Food Supplies		132,071	
Office Supplies		6,911	
Prisoners Clothing		5,608	
Uniforms		8,219	
Utilities		93,823	
Other Supplies and Materials		4,813	
Building Improvements		520	
Office Equipment		4,454	
Other Equipment		42,333	
Total Jail			\$ 1,761,425

Workhouse

Supervisor/Director	\$	38,958
Sergeant(s)		127,753
Data Processing Personnel		33,600
Guards		243,330
Maintenance Personnel		34,744
Overtime Pay		55,034
In-service Training		1,000
Social Security		31,644
Pensions		24,742
Life Insurance		834
Medical Insurance		62,157
Unemployment Compensation		2,196
Employer Medicare		7,400
Communication		10,033
Maintenance Agreements		151
Maintenance and Repair Services - Buildings		4,080
Maintenance and Repair Services - Equipment		1,699
Postal Charges		98
Travel		304
Other Contracted Services		3,748
Custodial Supplies		17,618
Food Supplies		99,266
Office Supplies		3,941
Prisoners Clothing		3,038

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Uniforms	\$	4,327	
Utilities		42,169	
Other Supplies and Materials		3,613	
Building Improvements		23,730	
Office Equipment		724	
Other Equipment		1,522	
Total Workhouse			\$ 883,453

Juvenile Services

County Official/Administrative Officer	\$	39,254	
Sergeant(s)		120,404	
Guards		153,282	
Overtime Pay		8,363	
Other Salaries and Wages		3,350	
In-service Training		422	
Social Security		19,476	
Pensions		16,067	
Life Insurance		632	
Medical Insurance		52,522	
Unemployment Compensation		1,379	
Employer Medicare		4,555	
Communication		847	
Maintenance Agreements		220	
Maintenance and Repair Services - Buildings		420	
Maintenance and Repair Services - Equipment		340	
Maintenance and Repair Services - Vehicles		866	
Postal Charges		480	
Custodial Supplies		3,661	
Food Supplies		6,017	
Gasoline		178	
Instructional Supplies and Materials		145	
Office Supplies		2,286	
Prisoners Clothing		703	
Uniforms		2,001	
Utilities		8,406	
Other Supplies and Materials		436	
Other Charges		2,309	
Office Equipment		889	
Other Equipment		1,962	
Total Juvenile Services			451,872

Other Emergency Management

Assistant(s)	\$	119,656	
Supervisor/Director		111,925	
Captain(s)		133,502	
Lieutenant(s)		122,331	
Secretary(ies)		4,380	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Longevity Pay	\$	19,650	
Bonus Payments		15,500	
Other Salaries and Wages		302,770	
Social Security		48,598	
Pensions		42,839	
Life Insurance		1,130	
Medical Insurance		95,325	
Unemployment Compensation		2,306	
Employer Medicare		11,367	
Communication		31,606	
Dues and Memberships		515	
Maintenance and Repair Services - Buildings		7,657	
Maintenance and Repair Services - Equipment		20,952	
Maintenance and Repair Services - Vehicles		6,772	
Travel		713	
Other Contracted Services		4,175	
Custodial Supplies		2,220	
Diesel Fuel		9,399	
Gasoline		7,882	
Office Supplies		13,835	
Uniforms		6,983	
Utilities		36,518	
Other Supplies and Materials		2,613	
Liability Insurance		8,267	
Vehicle and Equipment Insurance		20,849	
Workers' Compensation Insurance		50,280	
In Service/Staff Development		9,140	
Other Charges		2,454	
Motor Vehicles		32,788	
Other Equipment		93,645	
Total Other Emergency Management			\$ 1,400,542

County Coroner/Medical Examiner

Medical Personnel	\$	24,750	
Total County Coroner/Medical Examiner			24,750

Other Public Safety

Contributions	\$	405,813	
Total Other Public Safety			405,813

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	306,506	
Social Security		18,384	
Pensions		13,592	
Life Insurance		624	
Medical Insurance		44,596	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Unemployment Compensation	\$	1,464	
Employer Medicare		4,299	
On-behalf Payments to OPEB		1,350	
Communication		7,001	
Janitorial Services		12,900	
Maintenance Agreements		1,371	
Maintenance and Repair Services - Buildings		8,925	
Maintenance and Repair Services - Equipment		195	
Travel		5,319	
Other Contracted Services		387	
Custodial Supplies		90	
Office Supplies		395	
Utilities		17,723	
Other Supplies and Materials		10,958	
Other Charges		10,220	
Total Local Health Center			\$ 466,299

Rabies and Animal Control

Assistant(s)	\$	56,667	
Supervisor/Director		45,614	
Part-time Personnel		6,300	
Overtime Pay		1,249	
In-service Training		2,635	
Social Security		6,048	
Pensions		2,441	
Life Insurance		214	
Medical Insurance		18,737	
Unemployment Compensation		500	
Employer Medicare		1,414	
Communication		1,143	
Maintenance and Repair Services - Buildings		2,852	
Maintenance and Repair Services - Vehicles		577	
Travel		3,664	
Animal Food and Supplies		12,727	
Custodial Supplies		6,823	
Drugs and Medical Supplies		16,341	
Gasoline		2,596	
Office Supplies		2,063	
Uniforms		1,866	
Utilities		9,366	
Other Charges		23,044	
Building Improvements		6,958	
Office Equipment		2,036	
Other Equipment		5,898	
Total Rabies and Animal Control			239,773

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,928	
Captain(s)		138,031	
Medical Personnel		546,814	
Salary Supplements		13,936	
Mechanic(s)		25,900	
Clerical Personnel		76,951	
Part-time Personnel		96,537	
Longevity Pay		27,250	
Overtime Pay		500,950	
In-service Training		7,294	
Social Security		88,846	
Pensions		59,973	
Life Insurance		1,645	
Medical Insurance		117,817	
Unemployment Compensation		5,381	
Employer Medicare		20,779	
Advertising		130	
Communication		20,246	
Dues and Memberships		872	
Evaluation and Testing		2,123	
Licenses		2,518	
Maintenance Agreements		25,101	
Maintenance and Repair Services - Buildings		10,260	
Maintenance and Repair Services - Equipment		4,564	
Maintenance and Repair Services - Office Equipment		448	
Maintenance and Repair Services - Vehicles		76,535	
Postal Charges		2,747	
Printing, Stationery, and Forms		699	
Travel		930	
Tuition		11,364	
Disposal Fees		5,839	
Custodial Supplies		2,055	
Data Processing Supplies		571	
Diesel Fuel		37,158	
Drugs and Medical Supplies		70,538	
Gasoline		9,906	
Natural Gas		3,435	
Office Supplies		2,483	
Uniforms		15,331	
Utilities		20,289	
Other Charges		42,929	
Building Improvements		7,860	
Communication Equipment		7,664	
Data Processing Equipment		10	
Furniture and Fixtures		3,912	
Motor Vehicles		83,086	
Other Equipment		15,315	
Total Ambulance/Emergency Medical Services			\$ 2,270,950

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Contracts with Private Agencies	\$	53,666	
Contributions		10,830	
Total Other Local Health Services			\$ 64,496

Regional Mental Health Center

Contributions	\$	12,900	
Total Regional Mental Health Center			12,900

Appropriation to State

Contracts with Government Agencies	\$	52,522	
Total Appropriation to State			52,522

General Welfare Assistance

Contracts with Government Agencies	\$	99,875	
Pauper Burials		250	
Total General Welfare Assistance			100,125

Convenience Centers

County Official/Administrative Officer	\$	15,000	
Assistant(s)		7,200	
Foremen		68,794	
Truck Drivers		70,334	
Laborers		6,860	
Attendants		162,533	
Longevity Pay		14,300	
Overtime Pay		667	
Social Security		20,883	
Pensions		12,130	
Life Insurance		297	
Medical Insurance		31,797	
Unemployment Compensation		2,521	
Employer Medicare		4,884	
Communication		5,527	
Contracts with Private Agencies		371,541	
Legal Services		1,114	
Postal Charges		966	
Printing, Stationery, and Forms		152	
Travel		136	
Diesel Fuel		53,784	
Equipment and Machinery Parts		52,312	
Gasoline		3,388	
Lubricants		2,491	
Office Supplies		550	
Tires and Tubes		19,204	
Utilities		9,069	
Other Supplies and Materials		5,642	
Vehicle and Equipment Insurance		45,138	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Workers' Compensation Insurance	\$	11,664	
Other Charges		<u>12,690</u>	
Total Convenience Centers			\$ 1,013,568

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$	<u>9,500</u>	
Total Adult Activities			9,500

Senior Citizens Assistance

Contributions	\$	<u>15,200</u>	
Total Senior Citizens Assistance			15,200

Libraries

Contributions	\$	<u>142,390</u>	
Total Libraries			142,390

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	81,550	
Social Security		5,424	
Pensions		10,124	
Employer Medicare		1,129	
Communication		2,284	
Maintenance Agreements		1,019	
Maintenance and Repair Services - Buildings		995	
Utilities		6,294	
Other Equipment		<u>1,990</u>	
Total Agricultural Extension Service			110,809

Soil Conservation

Contributions	\$	<u>58,000</u>	
Total Soil Conservation			58,000

Other Agriculture and Natural Resources

Maintenance Personnel	\$	23,782	
Longevity Pay		1,500	
Social Security		1,530	
Pensions		1,292	
Life Insurance		57	
Medical Insurance		4,698	
Unemployment Compensation		112	
Employer Medicare		358	
Communication		1,686	
Maintenance and Repair Services - Equipment		1,492	
Diesel Fuel		423	
Gasoline		<u>2,235</u>	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Other Agriculture and Natural Resources (Cont.)

Utilities	\$	15,870	
Other Supplies and Materials		13,211	
Building Improvements		2,277	
Other Equipment		6,990	
Total Other Agriculture and Natural Resources			\$ 77,513

Other Operations

Tourism

Contributions	\$	3,948	
Total Tourism			3,948

Other Economic and Community Development

Contributions	\$	600,000	
Total Other Economic and Community Development			600,000

Veterans' Services

Supervisor/Director	\$	8,796	
Truck Drivers		16,140	
Social Security		1,344	
Life Insurance		12	
Unemployment Compensation		224	
Employer Medicare		314	
Communication		1,390	
Maintenance and Repair Services - Vehicles		1,427	
Pest Control		94	
Postal Charges		99	
Other Contracted Services		399	
Gasoline		2,117	
Office Supplies		286	
Total Veterans' Services			32,642

Other Charges

Building and Contents Insurance	\$	198,170	
Workers' Compensation Insurance		109,627	
Total Other Charges			307,797

Contributions to Other Agencies

Contributions	\$	112,000	
Dues and Memberships		8,449	
Total Contributions to Other Agencies			120,449

Miscellaneous

Audit Services	\$	13,517	
Contributions		39,110	
Rentals		30,000	
Other Contracted Services		38,691	
Refunds		1,450	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Trustee's Commission	\$ 233,787	
Liability Claims	3,746	
Other Charges	8,870	
Total Miscellaneous	<u> </u>	\$ 369,171

Total General Fund \$ 19,097,216

Drug Control Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 66	
Total Miscellaneous	<u> </u>	\$ 66

Total Drug Control Fund 66

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 4,921	
Constitutional Officers' Operating Expenses	215	
Total Chancery Court	<u> </u>	\$ 5,136

Total Constitutional Officers - Fees Fund 5,136

Highway/Public Works Fund

Other Operations

Contributions to Other Agencies

Contributions	\$ 7,000	
Total Contributions to Other Agencies	<u> </u>	\$ 7,000

Highways

Administration

County Official/Administrative Officer	\$ 85,019
Assistant(s)	45,609
Accountants/Bookkeepers	43,153
Overtime Pay	351
Other Salaries and Wages	3,317
Board and Committee Members Fees	4,550
Social Security	11,168
Pensions	9,458
Life Insurance	128
Medical Insurance	14,511
Unemployment Compensation	471
Employer Medicare	2,612
Data Processing Services	27
Dues and Memberships	3,219
Legal Services	2,272

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Legal Notices, Recording, and Court Costs	\$	323	
Postal Charges		470	
Printing, Stationery, and Forms		452	
Travel		227	
Office Supplies		696	
Total Administration			\$ 228,033

Highway and Bridge Maintenance

Foremen	\$	37,996	
Equipment Operators		217,445	
Truck Drivers		247,500	
Laborers		11,637	
Overtime Pay		2,417	
Other Salaries and Wages		22,523	
Social Security		31,312	
Pensions		26,474	
Life Insurance		912	
Medical Insurance		74,604	
Dental Insurance		1,738	
Unemployment Compensation		4,596	
Employer Medicare		7,323	
Rentals		10,792	
Asphalt - Cold Mix		12,115	
Asphalt - Hot Mix		212,619	
Asphalt - Liquid		207,675	
Crushed Stone		237,571	
Other Road Materials		4,742	
Pipe		14,290	
Road Signs		7,401	
Total Highway and Bridge Maintenance			1,393,682

Operation and Maintenance of Equipment

Mechanic(s)	\$	63,991	
Laborers		63,031	
Overtime Pay		259	
Other Salaries and Wages		5,028	
Social Security		7,964	
Pensions		6,767	
Life Insurance		181	
Medical Insurance		17,373	
Dental Insurance		197	
Unemployment Compensation		1,062	
Employer Medicare		1,863	
Diesel Fuel		65,980	
Equipment and Machinery Parts		80,929	
Garage Supplies		1,840	
Gasoline		33,124	

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Lubricants	\$	9,258	
Tires and Tubes		13,413	
Other Supplies and Materials		9,271	
Total Operation and Maintenance of Equipment			\$ 381,531

Litter and Trash Collection

Other Salaries and Wages	\$	24,645	
Social Security		1,524	
Pensions		189	
Life Insurance		4	
Medical Insurance		523	
Unemployment Compensation		631	
Employer Medicare		356	
Other Charges		21,715	
Total Litter and Trash Collection			49,587

Other Charges

Communication	\$	13,265	
Electricity		6,766	
Natural Gas		2,920	
Trustee's Commission		27,822	
Vehicle and Equipment Insurance		83,327	
Other Charges		2,273	
Total Other Charges			136,373

Employee Benefits

Uniforms	\$	2,483	
Workers' Compensation Insurance		53,019	
Total Employee Benefits			55,502

Capital Outlay

Engineering Services	\$	22,314	
Bridge Construction		218,534	
Highway Construction		1,274,981	
Highway Equipment		45,412	
Total Capital Outlay			<u>1,561,241</u>

Total Highway/Public Works Fund \$ 3,812,949

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	300,000	
Total General Government			\$ 300,000

Highways and Streets

Principal on Notes	\$	400,000	
Total Highways and Streets			400,000

(Continued)

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 2,770,000	
Principal on Other Loans	<u>592,000</u>	
Total Education		\$ 3,362,000

Interest on Debt

General Government

Interest on Bonds	\$ 167,062	
Total General Government		167,062

Highways and Streets

Interest on Notes	\$ 27,540	
Total Highways and Streets		27,540

Education

Interest on Bonds	\$ 1,926,797	
Interest on Other Loans	<u>4,719</u>	
Total Education		1,931,516

Other Debt Service

General Government

Refunds	\$ 1,591	
Trustee's Commission	79,072	
Other Debt Service	<u>10,899</u>	
Total General Government		91,562

Education

Other Debt Service	\$ 10,503	
Total Education		<u>10,503</u>

Total General Debt Service Fund \$ 6,290,183

Total Governmental Funds - Primary Government \$ 29,205,550

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2016

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 20,014,396	
Career Ladder Program	109,886	
Salary Supplements	19,683	
Clerical Personnel	71,088	
Educational Assistants	947,568	
Other Salaries and Wages	79,304	
Certified Substitute Teachers	274,062	
Social Security	1,237,739	
Pensions	1,860,673	
Life Insurance	16,978	
Medical Insurance	2,729,986	
Unemployment Compensation	22,843	
Employer Medicare	292,470	
Maintenance and Repair Services - Equipment	5,334	
Travel	7,216	
Other Contracted Services	38,593	
Instructional Supplies and Materials	293,391	
Textbooks	29,930	
Other Supplies and Materials	3,062	
In Service/Staff Development	11,865	
Other Charges	71,633	
Regular Instruction Equipment	69,142	
Total Regular Instruction Program		\$ 28,206,842

Alternative Instruction Program

Teachers	\$ 241,663	
Social Workers	90,253	
Clerical Personnel	16,222	
Educational Assistants	27,073	
Other Salaries and Wages	3,517	
Social Security	22,031	
Pensions	31,127	
Medical Insurance	37,109	
Employer Medicare	5,152	
Instructional Supplies and Materials	6,291	
Total Alternative Instruction Program		480,438

Special Education Program

Teachers	\$ 1,989,583
Career Ladder Program	9,999
Educational Assistants	129,966
Other Salaries and Wages	4,386
Certified Substitute Teachers	33,450
Social Security	125,976
Pensions	187,036
Medical Insurance	266,240

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Unemployment Compensation	\$	4,009	
Employer Medicare		29,530	
Other Contracted Services		58,367	
Instructional Supplies and Materials		34,639	
Special Education Equipment		39,051	
Total Special Education Program			\$ 2,912,232

Vocational Education Program

Teachers	\$	884,867	
Career Ladder Program		4,629	
Certified Substitute Teachers		12,765	
Social Security		52,316	
Pensions		77,285	
Medical Insurance		78,765	
Employer Medicare		12,754	
Maintenance and Repair Services - Equipment		1,765	
Instructional Supplies and Materials		10,909	
Vocational Instruction Equipment		4,979	
Total Vocational Education Program			1,141,034

Adult Education Program

Teachers	\$	197,315	
Social Security		12,217	
Pensions		1,931	
Medical Insurance		266	
Employer Medicare		2,857	
Instructional Supplies and Materials		17,781	
Total Adult Education Program			232,367

Support Services

Attendance

Supervisor/Director	\$	75,303	
Career Ladder Program		1,000	
Social Security		4,731	
Pensions		6,898	
Employer Medicare		1,106	
Other Supplies and Materials		5,081	
Other Charges		285	
Attendance Equipment		335	
Total Attendance			94,739

Health Services

Medical Personnel	\$	269,552	
Other Salaries and Wages		38,691	
Social Security		17,817	
Pensions		15,076	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	48,215	
Employer Medicare		4,167	
Travel		8,586	
Drugs and Medical Supplies		7,192	
Other Supplies and Materials		54,195	
Other Charges		622	
Health Equipment		2,091	
Total Health Services			\$ 466,204

Other Student Support

Career Ladder Program	\$	8,199	
Guidance Personnel		757,385	
Clerical Personnel		1,567	
Other Salaries and Wages		72,540	
Social Security		45,216	
Pensions		70,509	
Medical Insurance		87,410	
Unemployment Compensation		1,100	
Employer Medicare		11,429	
Evaluation and Testing		98,622	
Travel		1,065	
Other Contracted Services		63,775	
Other Supplies and Materials		905	
Other Charges		1,099	
Total Other Student Support			1,220,821

Regular Instruction Program

Supervisor/Director	\$	227,332	
Career Ladder Program		12,999	
Librarians		650,050	
Secretary(ies)		43,335	
Other Salaries and Wages		4,582	
Social Security		55,889	
Pensions		82,664	
Medical Insurance		80,194	
Employer Medicare		13,072	
Travel		3,503	
Other Contracted Services		324,405	
Library Books/Media		26,036	
Other Supplies and Materials		45,962	
In Service/Staff Development		6,635	
Total Regular Instruction Program			1,576,658

Special Education Program

Supervisor/Director	\$	80,951	
Career Ladder Program		1,000	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Psychological Personnel	\$	103,117	
Secretary(ies)		15,355	
Other Salaries and Wages		627	
Social Security		11,867	
Pensions		19,394	
Medical Insurance		23,748	
Employer Medicare		2,775	
Travel		5,252	
Other Contracted Services		13,960	
Other Supplies and Materials		2,807	
In Service/Staff Development		9,274	
Other Equipment		2,475	
Total Special Education Program			\$ 292,602

Vocational Education Program

Secretary(ies)	\$	15,064	
Other Salaries and Wages		377	
Social Security		926	
Pensions		791	
Medical Insurance		4,989	
Employer Medicare		217	
Travel		2,200	
Total Vocational Education Program			24,564

Adult Programs

Supervisor/Director	\$	74,962	
Social Security		4,434	
Pensions		6,777	
Medical Insurance		6,038	
Employer Medicare		1,037	
Travel		990	
In Service/Staff Development		8,363	
Total Adult Programs			102,601

Other Programs

On-behalf Payments to OPEB	\$	137,249	
Total Other Programs			137,249

Board of Education

Secretary to Board	\$	36,693	
Other Salaries and Wages		1,687	
Board and Committee Members Fees		22,960	
Social Security		3,564	
Pensions		1,926	
Medical Insurance		6,882	
Employer Medicare		834	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Audit Services	\$	18,250	
Dues and Memberships		21,562	
Legal Services		55,347	
Travel		14,435	
Excess Risk Insurance		44,078	
Liability Insurance		41,978	
Trustee's Commission		266,111	
Workers' Compensation Insurance		285,936	
In Service/Staff Development		5,827	
Criminal Investigation of Applicants - TBI		4,140	
Other Charges		7,004	
Total Board of Education			\$ 839,214

Director of Schools

County Official/Administrative Officer	\$	106,156	
Assistant(s)		84,220	
Clerical Personnel		28,377	
Other Salaries and Wages		1,305	
Social Security		13,421	
Pensions		18,700	
Medical Insurance		6,882	
Employer Medicare		3,139	
Communication		43,735	
Dues and Memberships		3,464	
Postal Charges		4,107	
Travel		3,249	
Other Contracted Services		2,500	
Premiums on Corporate Surety Bonds		934	
Total Director of Schools			320,189

Office of the Principal

Principals	\$	1,133,206	
Career Ladder Program		19,082	
Accountants/Bookkeepers		154,374	
Career Ladder Extended Contracts		12,000	
Assistant Principals		1,089,997	
Secretary(ies)		133,578	
Clerical Personnel		47,881	
Other Salaries and Wages		17,892	
Social Security		152,258	
Pensions		221,028	
Medical Insurance		287,486	
Employer Medicare		35,612	
Communication		35,317	
Other Supplies and Materials		23,888	
Total Office of the Principal			3,363,599

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel

Supervisor/Director	\$	57,025	
Clerical Personnel		76,395	
Other Salaries and Wages		1,709	
Social Security		7,853	
Pensions		6,872	
Medical Insurance		9,068	
Employer Medicare		1,924	
Maintenance and Repair Services - Equipment		1,996	
Travel		2,017	
Office Supplies		1,775	
Other Charges		756	
Total Human Services/Personnel			\$ 167,390

Operation of Plant

Supervisor/Director	\$	53,386	
Salary Supplements		9,738	
Secretary(ies)		16,690	
Custodial Personnel		1,109,501	
Other Salaries and Wages		21,986	
Social Security		73,323	
Pensions		50,189	
Medical Insurance		183,304	
Unemployment Compensation		6,475	
Employer Medicare		17,148	
Maintenance and Repair Services - Equipment		1,002	
Other Contracted Services		259,491	
Custodial Supplies		198,373	
Electricity		2,034,448	
Natural Gas		251,465	
Water and Sewer		200,939	
Other Supplies and Materials		976	
Boiler Insurance		13,433	
Building and Contents Insurance		244,736	
Other Charges		14,478	
Plant Operation Equipment		7,758	
Total Operation of Plant			4,768,839

Maintenance of Plant

Salary Supplements	\$	427	
Secretary(ies)		27,953	
Maintenance Personnel		544,977	
Other Salaries and Wages		10,305	
Social Security		35,148	
Pensions		26,978	
Medical Insurance		70,847	
Unemployment Compensation		2,963	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Employer Medicare	\$	8,220	
Laundry Service		8,338	
Maintenance and Repair Services - Buildings		93,472	
Maintenance and Repair Services - Equipment		175,120	
Maintenance and Repair Services - Vehicles		19,883	
Travel		407	
Other Contracted Services		122,412	
Diesel Fuel		1,018	
Gasoline		25,986	
Other Supplies and Materials		208,962	
Other Charges		28,717	
Maintenance Equipment		47,829	
Other Capital Outlay		43,390	
Total Maintenance of Plant			\$ 1,503,352

Transportation

Supervisor/Director	\$	50,278	
Mechanic(s)		107,005	
Bus Drivers		929,480	
Clerical Personnel		20,901	
Other Salaries and Wages		21,863	
Social Security		61,646	
Pensions		52,067	
Medical Insurance		240,952	
Unemployment Compensation		32	
Employer Medicare		15,403	
Laundry Service		1,900	
Maintenance and Repair Services - Vehicles		3,782	
Medical and Dental Services		5,532	
Travel		581	
Other Contracted Services		5,132	
Diesel Fuel		198,074	
Garage Supplies		6,438	
Gasoline		17,253	
Lubricants		15,051	
Tires and Tubes		40,296	
Vehicle Parts		66,675	
Other Supplies and Materials		1,862	
Vehicle and Equipment Insurance		75,561	
Other Charges		27,481	
Transportation Equipment		600,024	
Total Transportation			2,565,269

Central and Other

Supervisor/Director	\$	62,577	
Data Processing Personnel		122,024	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Other Salaries and Wages	\$	2,445	
Social Security		11,301	
Pensions		10,665	
Medical Insurance		9,977	
Employer Medicare		2,643	
Communication		1,346	
Data Processing Services		187,832	
Maintenance and Repair Services - Equipment		16,374	
Travel		4,355	
Other Contracted Services		83,015	
Other Supplies and Materials		5,200	
In Service/Staff Development		2,660	
Other Charges		23,761	
Data Processing Equipment		1,067,192	
Total Central and Other			\$ 1,613,367

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	46,589	
Social Security		2,468	
Pensions		4,212	
Medical Insurance		6,584	
Employer Medicare		577	
Total Food Service			60,430

Community Services

Teachers	\$	188,614	
Part-time Personnel		20,990	
Other Salaries and Wages		47,824	
Social Security		15,314	
Pensions		15,298	
Employer Medicare		3,630	
Travel		3,091	
Other Contracted Services		836	
Food Supplies		10,723	
Instructional Supplies and Materials		9,775	
Other Charges		6,668	
Total Community Services			322,763

Early Childhood Education

Teachers	\$	185,882	
Educational Assistants		108,627	
Certified Substitute Teachers		1,410	
Social Security		16,868	
Pensions		20,518	
Medical Insurance		57,758	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Employer Medicare	\$	3,945	
Travel		5,017	
Other Contracted Services		18,000	
Other Supplies and Materials		15,876	
Other Charges		14,954	
Regular Instruction Equipment		11,754	
Total Early Childhood Education			\$ 460,609

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	584,696	
Site Development		54,425	
Total Regular Capital Outlay			639,121

Total General Purpose School Fund \$ 53,512,493

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	670,252	
Educational Assistants		86,123	
Other Salaries and Wages		14,764	
Certified Substitute Teachers		9,100	
Social Security		45,841	
Pensions		66,054	
Life Insurance		480	
Medical Insurance		88,155	
Unemployment Compensation		1,752	
Employer Medicare		10,722	
Other Fringe Benefits		1,835	
Instructional Supplies and Materials		301,245	
Other Charges		850	
Regular Instruction Equipment		422,944	
Total Regular Instruction Program			\$ 1,720,117

Special Education Program

Teachers	\$	86,584	
Homebound Teachers		9,690	
Educational Assistants		451,844	
Speech Pathologist		137,993	
Other Salaries and Wages		5,427	
Social Security		40,532	
Pensions		40,873	
Life Insurance		1,600	
Medical Insurance		103,165	
Unemployment Compensation		57	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	9,610	
Contracts with Private Agencies		1,462	
Instructional Supplies and Materials		4,768	
Other Charges		2,298	
Special Education Equipment		2,626	
Total Special Education Program			\$ 898,529

Vocational Education Program

Clerical Personnel	\$	7,848	
Employer Medicare		114	
Maintenance and Repair Services - Equipment		3,012	
Instructional Supplies and Materials		5,755	
Other Supplies and Materials		375	
Vocational Instruction Equipment		73,877	
Total Vocational Education Program			90,981

Support Services

Health Services

Medical Personnel	\$	148,046	
Other Salaries and Wages		2,523	
Social Security		8,804	
Pensions		10,427	
Life Insurance		100	
Medical Insurance		14,157	
Employer Medicare		2,059	
Total Health Services			186,116

Other Student Support

Other Salaries and Wages	\$	30,158	
Social Security		1,852	
Pensions		2,609	
Employer Medicare		433	
Travel		22,481	
Other Supplies and Materials		4,721	
In Service/Staff Development		5,096	
Other Charges		29,728	
Total Other Student Support			97,078

Regular Instruction Program

Supervisor/Director	\$	74,148	
Secretary(ies)		28,099	
Clerical Personnel		6,899	
Other Salaries and Wages		124,053	
Certified Substitute Teachers		285	
Social Security		13,187	
Pensions		19,393	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	17,297	
Employer Medicare		3,184	
Other Fringe Benefits		1,292	
Maintenance and Repair Services - Equipment		9,101	
Postal Charges		98	
Travel		3,064	
Other Contracted Services		63,600	
Other Supplies and Materials		14,789	
In Service/Staff Development		232,012	
Other Charges		6,144	
Other Equipment		3,676	
Total Regular Instruction Program			\$ 620,321

Special Education Program

Psychological Personnel	\$	57,621	
Assessment Personnel		86,574	
Secretary(ies)		13,103	
Clerical Personnel		6,899	
Other Salaries and Wages		1,643	
Social Security		9,217	
Pensions		13,723	
Life Insurance		300	
Medical Insurance		17,377	
Employer Medicare		2,256	
Travel		10,801	
Other Contracted Services		446	
In Service/Staff Development		7,282	
Other Charges		3,654	
Other Equipment		7,787	
Total Special Education Program			238,683

Vocational Education Program

Clerical Personnel	\$	4,137	
Employer Medicare		60	
Travel		333	
Total Vocational Education Program			4,530

Transportation

Bus Drivers	\$	223,826	
Other Salaries and Wages		83,181	
Social Security		16,865	
Pensions		11,546	
Life Insurance		206	
Medical Insurance		47,015	
Employer Medicare		4,269	
Contracts with Parents		2,379	
Other Charges		135	
Total Transportation			389,422

Total School Federal Projects Fund \$ 4,245,777

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$ 48,156	
Total Board of Education		\$ 48,156

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$ 20,000	
Clerical Personnel	48,833	
Cafeteria Personnel	1,093,837	
Maintenance Personnel	18,158	
Other Salaries and Wages	25,399	
Social Security	71,197	
Pensions	55,151	
Life Insurance	2,250	
Medical Insurance	214,519	
Unemployment Compensation	2,480	
Employer Medicare	16,651	
Maintenance and Repair Services - Equipment	23,613	
Travel	6,076	
Other Contracted Services	9,539	
Food Preparation Supplies	277,436	
Food Supplies	2,325,597	
Office Supplies	7,306	
Uniforms	11,064	
USDA - Commodities	267,240	
In Service/Staff Development	2,285	
Food Service Equipment	21,104	
Total Food Service		<u>4,519,735</u>

Total Central Cafeteria Fund \$ 4,567,891

Extended School Program Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$ 3,000	
Total Board of Education		\$ 3,000

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$ 56,285	
Clerical Personnel	45,378	
Part-time Personnel	181,205	
Other Salaries and Wages	1,082	
Social Security	17,075	
Pensions	7,763	
Medical Insurance	20,236	
Employer Medicare	3,993	

(Continued)

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department (Cont.)

Extended School Program Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Communication	\$	923	
Maintenance and Repair Services - Equipment		539	
Travel		3,469	
Food Supplies		18,389	
Instructional Supplies and Materials		7,643	
Other Supplies and Materials		5,422	
In Service/Staff Development		1,851	
Other Charges		147	
Other Equipment		218	
Total Community Services			<u>\$ 371,618</u>

Total Extended School Program Fund \$ 374,618

Total Governmental Funds - Bedford County School Department \$ 62,700,779

Exhibit J-9

Bedford County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2016

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,972,210
Total Cash Receipts	<u>\$ 3,972,210</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,932,488
Trustee's Commission	39,722
Total Cash Disbursements	<u>\$ 3,972,210</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2015	<u>0</u>
 Cash Balance, June 30, 2016	 <u><u>\$ 0</u></u>

STATISTICAL SECTION

This part of Bedford County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health. Certain information about the discretely presented Bedford County School Department is included because, in our judgment, this information is beneficial in assessing the economic condition of the primary government.

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	1-6	194-201
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-11	202-206
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	12-16	207-211
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	17-18	212-213
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	19-21	214-217

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Table 1

Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Net Position by Component
Last Five Fiscal Years
(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 23,433,157	\$ 0	\$ 0	\$ 0	\$ 0
Net Investment in Capital Assets	0	24,061,291	25,246,263	24,345,496	25,735,342
Restricted	1,928,797	2,121,316	2,388,323	4,631,407	7,070,296
Unrestricted	<u>(41,803,175)</u>	<u>(39,833,406)</u>	<u>(36,661,844)</u>	<u>(33,328,675)</u>	<u>(31,433,720)</u>
Total Primary Government's Governmental Activities Net Position	<u>\$ (16,441,221)</u>	<u>\$ (13,650,799)</u>	<u>\$ (9,027,258)</u>	<u>\$ (4,351,772)</u>	<u>\$ 1,371,918</u>
Total Primary Government					
Invested in Capital Assets, Net of Related Debt	\$ 23,433,157	\$ 0	\$ 0	\$ 0	\$ 0
Net Investment in Capital Assets	0	24,061,291	25,246,263	24,345,496	25,735,342
Restricted	1,928,797	2,121,316	2,388,323	4,631,407	7,070,296
Unrestricted	<u>(41,803,175)</u>	<u>(39,833,406)</u>	<u>(36,661,844)</u>	<u>(33,328,675)</u>	<u>(31,433,720)</u>
Total Primary Government Net Position	<u>\$ (16,441,221)</u>	<u>\$ (13,650,799)</u>	<u>\$ (9,027,258)</u>	<u>\$ (4,351,772)</u>	<u>\$ 1,371,918</u>
Discretely Presented Bedford County School Department					
Governmental Activities					
Invested in Capital Assets	\$ 96,201,332	\$ 0	\$ 0	\$ 0	\$ 0
Net Investment in Capital Assets	0	92,976,955	91,236,337	88,517,940	85,949,475
Restricted	2,185,372	1,972,801	1,763,290	1,343,357	4,450,967
Unrestricted	<u>9,469,221</u>	<u>7,380,379</u>	<u>9,241,930</u>	<u>7,791,446</u>	<u>10,346,078</u>
Total Discretely Presented Bedford County School Department's Governmental Activities Net Position	<u>\$ 107,855,925</u>	<u>\$ 102,330,135</u>	<u>\$ 102,241,557</u>	<u>\$ 97,652,743</u>	<u>\$ 100,746,520</u>

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* for the fiscal year ended June 30, 2007. The discretely presented Bedford County School Department implemented the standard as of June 30, 2003. The primary government and the discretely presented Bedford County School Department implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended June 30, 2011.

Table 2

Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Changes in Net Position
Last Five Fiscal Years
(accrual basis of accounting)

	2012		2013		2014		2015		2016	
	Primary Government	Component Unit								
Expenses										
Governmental Activities:										
General Government	\$ 2,622,551	\$ 0	\$ 2,679,511	\$ 0	\$ 2,698,463	\$ 0	\$ 2,805,033	\$ 0	\$ 2,942,928	\$ 0
Finance	1,551,852	0	1,586,677	0	1,639,345	0	1,599,186	0	1,460,777	0
Administration of Justice	1,774,488	0	1,749,801	0	1,796,717	0	1,795,328	0	1,722,830	0
Public Safety	8,011,004	0	7,788,326	0	7,916,501	0	7,786,605	0	7,366,168	0
Public Health and Welfare	4,126,630	0	5,356,033	0	4,486,032	0	4,472,045	0	4,159,809	0
Social, Cultural, and Recreational Services	156,662	0	514,850	0	598,490	0	1,189,722	0	167,090	0
Agriculture and Natural Resources	260,546	0	294,011	0	266,214	0	297,833	0	223,972	0
Highways	2,583,006	0	2,933,127	0	1,751,616	0	2,481,031	0	2,352,222	0
Education	2,693,913	0	2,495,792	0	2,318,241	0	2,353,808	0	10,503	0
Interest on Long-term Debt	0	0	0	0	0	0	0	0	2,106,399	0
Component Unit - Bedford County School Department	0	63,705,713	0	64,609,492	0	64,154,978	0	61,607,980	0	62,713,933
Total Expenses	<u>\$ 23,780,652</u>	<u>\$ 63,705,713</u>	<u>\$ 25,398,128</u>	<u>\$ 64,609,492</u>	<u>\$ 23,471,619</u>	<u>\$ 64,154,978</u>	<u>\$ 24,780,591</u>	<u>\$ 61,607,980</u>	<u>\$ 22,512,698</u>	<u>\$ 62,713,933</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 481,210	\$ 0	\$ 539,912	\$ 0	\$ 729,270	\$ 0	\$ 996,046	\$ 0	\$ 663,218	\$ 0
Finance	1,006,052	0	997,037	0	1,060,922	0	1,061,823	0	1,113,803	0
Administration of Justice	1,683,922	0	1,619,539	0	1,495,030	0	1,455,787	0	1,634,501	0
Public Safety	1,326,428	0	939,714	0	849,422	0	912,066	0	774,181	0
Public Health and Welfare	1,608,862	0	1,523,074	0	1,964,227	0	1,757,596	0	1,175,838	0
Social, Cultural, and Recreational Services	0	0	0	0	0	0	0	0	20,468	0
Agriculture and Natural Resources	5,550	0	8,310	0	6,450	0	9,300	0	7,400	0
Highways	22,263	0	19,391	0	19,839	0	29,559	0	88,880	0
Operating Grants and Contributions	3,365,287	0	3,439,576	0	2,559,500	0	2,515,105	0	2,749,921	0
Capital Grants and Contributions	837,862	0	749,197	0	833,698	0	355,635	0	270,665	0
Component Unit - Bedford County School Department:										
Charges for Services	0	1,630,033	0	1,607,907	0	1,512,140	0	717,591	0	818,230
Operating Grants and Contributions	0	8,864,455	0	8,240,600	0	8,904,944	0	9,084,465	0	8,636,594
Capital Grants and Contributions	0	0	0	0	0	136,646	0	0	0	0
Total Revenues	<u>\$ 10,337,436</u>	<u>\$ 10,494,488</u>	<u>\$ 9,835,750</u>	<u>\$ 9,848,507</u>	<u>\$ 9,518,358</u>	<u>\$ 10,553,730</u>	<u>\$ 9,092,917</u>	<u>\$ 9,802,056</u>	<u>\$ 8,498,875</u>	<u>\$ 9,454,824</u>
Net (Expense)/Revenue										
Total	<u>\$ (13,443,216)</u>	<u>\$ (53,211,225)</u>	<u>\$ (15,562,378)</u>	<u>\$ (54,760,985)</u>	<u>\$ (13,953,261)</u>	<u>\$ (53,601,248)</u>	<u>\$ (15,687,674)</u>	<u>\$ (51,805,924)</u>	<u>\$ (14,013,823)</u>	<u>\$ (53,259,109)</u>

(Continued)

Table 2

Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Change in Net Position
Last Five Fiscal Years
(accrual basis of accounting) (Cont.)

	2012		2013		2014		2015		2016	
	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 10,155,790	\$ 8,286,550	\$ 10,600,355	\$ 7,731,057	\$ 10,385,599	\$ 8,407,067	\$ 10,367,833	\$ 8,497,841	\$ 10,531,027	\$ 8,593,180
Sales Taxes	5,365,336	1,976,524	5,222,426	1,922,541	5,473,609	2,026,045	5,777,154	2,134,397	6,090,675	2,240,465
Other Taxes	1,244,429	2,776	1,142,346	3,842	1,209,328	10,315	1,270,682	24,832	1,503,590	28,559
Unrestricted Grants and Contributions	909,020	38,709,171	1,078,237	39,375,514	1,091,349	42,946,669	921,801	43,223,113	1,251,690	45,407,991
Investment Earnings	223,752	88,905	40,277	43,626	36,627	1,124	39,737	948	91,060	902
Gain on Sale of Capital Assets	0	0	0	0	0	20,109	0	28,182	0	0
Special Item	1,821,783	0	0	0	0	0	0	0	0	0
Pension Income	0	0	0	0	0	0	378,711	597,366	0	0
Transfers in/out	0	0	731,675	0	0	0	0	0	0	0
Miscellaneous	267,764	171,076	272,656	158,615	380,290	101,341	247,676	162,279	269,471	81,789
Total Governmental Activities	<u>\$ 19,987,874</u>	<u>\$ 49,235,002</u>	<u>\$ 19,087,972</u>	<u>\$ 49,235,195</u>	<u>\$ 18,576,802</u>	<u>\$ 53,512,670</u>	<u>\$ 19,003,594</u>	<u>\$ 54,668,958</u>	<u>\$ 19,737,513</u>	<u>\$ 56,352,886</u>
Total	<u>\$ 19,987,874</u>	<u>\$ 49,235,002</u>	<u>\$ 19,087,972</u>	<u>\$ 49,235,195</u>	<u>\$ 18,576,802</u>	<u>\$ 53,512,670</u>	<u>\$ 19,003,594</u>	<u>\$ 54,668,958</u>	<u>\$ 19,737,513</u>	<u>\$ 56,352,886</u>
Prior-period Adjustment/Restatement	\$ 0	\$ 0	\$ (735,172)	\$ 0	\$ 0	\$ 0	\$ 1,359,566	\$ (7,451,846)	\$ 0	\$ 0
Change in Net Position	<u>\$ 6,544,658</u>	<u>\$ (3,976,223)</u>	<u>\$ 2,790,422</u>	<u>\$ (5,525,790)</u>	<u>\$ 4,623,541</u>	<u>\$ (88,578)</u>	<u>\$ 4,675,486</u>	<u>\$ (4,588,812)</u>	<u>\$ 5,723,690</u>	<u>\$ 3,093,777</u>

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* for the fiscal year ended June 30, 2007. The discretely presented Bedford County School Department implemented the standard as of June 30, 2003.

Table 3

Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Governmental Activities Tax Revenues by Source
Last Five Fiscal Years
(accrual basis of accounting)

Fiscal Year Ended	Property Tax	Local Option Sales Tax	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Other	Total
Primary Government								
2012	\$ 10,155,790	\$ 5,365,336	\$ 458,927	\$ 365,163	\$ 74,220	\$ 198,779	\$ 254,419	\$ 16,872,634
2013	10,600,355	5,222,426	393,011	378,816	60,113	189,353	121,053	16,965,127
2014	10,385,599	5,473,609	370,080	337,659	63,473	194,814	243,302	17,068,536
2015	10,367,833	5,777,154	367,760	385,275	85,765	195,585	236,297	17,415,669
2016	10,531,027	6,090,675	379,453	447,762	122,277	188,933	365,165	18,125,292
Component Unit								
2012	\$ 8,286,550	\$ 1,976,524	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,776	\$ 10,265,850
2013	7,731,057	1,922,541	0	0	0	0	3,842	9,657,440
2014	8,407,067	2,026,045	0	0	0	0	10,315	10,443,427
2015	8,497,841	2,134,397	0	0	0	0	24,832	10,657,070
2016	8,593,180	2,240,465	0	0	0	0	28,559	10,862,204

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Management's Discussion and Analysis - for State and Local Governments* for the fiscal year ended June 30, 2007. The discretely presented Bedford County School Department implemented the standard as of June 30, 2003.

Table 4

Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Government:										
General Fund										
Reserved	\$ 102,703	\$ 184,719	\$ 282,804	\$ 493,945	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	4,017,340	3,434,641	3,990,325	11,194,313	0	0	0	0	0	0
Restricted	0	0	0	0	638,427	810,591	1,045,339	1,301,479	1,494,868	1,539,398
Committed	0	0	0	0	131,105	166,862	73,110	123,695	90,515	3,063,818
Assigned	0	0	0	0	6,190,717	6,190,717	8,837,240	7,298,025	5,843,278	5,037,447
Unassigned	0	0	0	0	4,678,463	5,359,126	4,362,556	5,135,801	5,086,174	2,235,071
Total General Fund	\$ 4,120,043	\$ 3,619,360	\$ 4,273,129	\$ 11,688,258	\$ 11,638,712	\$ 12,527,296	\$ 14,318,245	\$ 13,859,000	\$ 12,514,835	\$ 11,875,734
All Other Governmental Funds										
Reserved	\$ 4,185,068	\$ 2,581,807	\$ 666,701	\$ 15,529	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	9,343,189	8,226,868	7,440,991	914,960	0	0	0	0	0	0
Debt Service Funds	1,689,527	3,686,389	4,332,615	4,745,230	0	0	0	0	0	0
Capital Projects Funds	3,259,358	231,780	64,539	610,931	0	0	0	0	0	0
Restricted	0	0	0	0	814,266	985,573	950,483	952,886	765,568	954,306
Committed	0	0	0	0	4,238,144	3,222,188	2,828,512	2,848,554	4,522,276	4,575,064
Total All Other Governmental Funds	\$ 18,477,142	\$ 14,726,844	\$ 12,504,846	\$ 6,286,650	\$ 5,052,410	\$ 4,207,761	\$ 3,778,995	\$ 3,801,440	\$ 5,287,844	\$ 5,529,370
Component Unit:										
General Fund (General Purpose School)										
Reserved	\$ 2,639,156	\$ 2,429,978	\$ 3,458,476	\$ 391,001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	5,126,482	8,247,874	7,270,619	10,183,468	0	0	0	0	0	0
Nonspendable	0	0	0	0	0	0	0	0	132,000	0
Restricted	0	0	0	0	213,477	199,843	165,078	166,251	164,684	150,469
Committed	0	0	0	0	941,892	483,315	90,556	51,240	292,532	2,210,767
Unassigned	0	0	0	0	9,124,213	8,900,911	7,508,455	9,297,505	11,475,980	12,681,681
Total General Fund	\$ 7,765,638	\$ 10,677,852	\$ 10,729,095	\$ 10,574,469	\$ 10,279,582	\$ 9,584,069	\$ 7,764,089	\$ 9,514,996	\$ 12,065,196	\$ 15,042,917
All Other School Funds										
Reserved	\$ 17,019,351	\$ 26,252,895	\$ 1,577,570	\$ 129,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	1,236,951	1,220,548	1,349,478	1,636,112	0	0	0	0	0	0
Capital Projects Funds	25,690,557	(4,945,341)	1,080,491	0	0	0	0	0	0	0
Nonspendable	0	0	0	0	154,382	78,958	69,787	62,906	68,314	50,073
Restricted	0	0	0	0	1,839,985	1,906,571	1,737,936	1,534,133	1,110,359	1,215,388
Committed	0	0	0	0	236,096	204,995	197,821	205,188	200,776	255,300
Total All Other Governmental Funds	\$ 43,946,859	\$ 22,528,102	\$ 4,007,539	\$ 1,765,912	\$ 2,230,463	\$ 2,190,524	\$ 2,005,544	\$ 1,802,227	\$ 1,379,449	\$ 1,520,761

Note(s): Negative reserves reflect a fund deficit.

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

Table 5

Bedford County, Tennessee
Changes in Fund Balances - Governmental Funds - Primary Government
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 16,097,920	\$ 16,657,679	\$ 17,653,465	\$ 17,797,946	\$ 17,751,437	\$ 18,197,230	\$ 18,820,159
Licenses and Permits	298,936	206,756	162,490	108,911	110,558	124,385	118,632	148,734	185,493	234,641
Fines and Forfeitures	532,322	483,882	408,577	376,180	323,633	503,321	478,464	477,127	479,011	467,569
Charges for Service	2,157,381	1,683,451	1,687,630	2,194,627	1,821,470	2,113,738	1,844,557	2,431,463	1,861,928	2,025,410
Other Local Revenue	3,064,019	3,081,408	1,410,494	1,252,468	1,253,095	1,018,210	726,632	952,557	1,016,195	664,191
Fees from County Officials	1,388,662	1,886,861	1,878,701	1,824,044	1,812,097	1,876,402	1,854,492	1,847,897	1,882,048	2,103,166
State Revenues	3,885,086	3,787,242	4,265,779	3,985,551	4,117,662	4,192,890	3,902,012	3,606,910	3,696,514	3,829,425
Federal Revenues	698,997	559,095	619,997	318,997	665,073	419,540	512,931	732,388	85,994	198,341
Other Govt/Citizens	94,686	166,476	1,193,499	2,154,927	1,044,387	1,007,321	1,000,376	2,454	12,870	80,073
Total Revenues	\$ 27,610,033	\$ 27,909,340	\$ 27,601,971	\$ 28,313,625	\$ 27,805,654	\$ 28,909,272	\$ 28,236,042	\$ 27,950,967	\$ 27,417,283	\$ 28,422,975
Expenditures										
General Government	\$ 1,131,972	\$ 957,128	\$ 1,132,685	\$ 1,085,169	\$ 1,330,518	\$ 1,460,288	\$ 1,361,659	\$ 1,556,066	\$ 1,557,454	\$ 1,561,130
Finance	910,450	1,273,122	1,575,772	1,541,838	1,550,567	1,547,127	1,581,299	1,636,393	1,651,339	1,617,844
Admin. of Justice	1,193,135	1,371,633	1,614,493	1,620,883	1,696,031	1,771,828	1,759,688	1,796,881	1,859,036	1,931,689
Public Safety	4,551,316	4,920,472	6,020,806	7,393,993	7,379,267	7,640,525	7,677,972	7,465,438	7,508,106	7,923,637
Public Health/Welfare	3,913,195	3,509,757	4,109,429	4,016,552	3,921,733	3,841,254	4,218,825	4,208,827	4,395,761	4,220,633
Social, Cultural/Rec.	150,906	150,906	156,662	163,391	156,662	156,662	167,090	167,090	1,167,090	167,090
Agriculture and Natural Resources	209,328	208,244	198,356	239,482	206,310	205,537	208,192	230,609	245,158	246,322
Other Operations	3,955,168	3,703,196	1,603,031	782,032	789,966	741,446	1,439,296	860,151	1,125,718	1,441,073
Highway and Bridge	3,264,191	3,974,033	2,872,158	2,188,517	2,986,847	2,753,252	2,674,616	2,622,733	3,963,081	3,805,949
Debt Service:										
Principal	3,400,324	4,056,691	5,548,386	5,242,242	5,512,665	5,450,298	5,166,600	4,475,600	3,512,000	4,062,000
Interest	1,501,629	3,177,328	3,413,122	3,295,358	3,104,068	2,923,613	2,655,861	2,351,178	2,246,816	2,126,118
Other Charges	109,193	196,355	103,312	94,615	95,474	113,665	111,478	103,658	2,728,386	102,065
Capital Projects	50,699,865	4,729,371	5,714,988	38,018	821,589	251,469	851,283	913,143	22,632	0
Total Expenditures	\$ 74,990,672	\$ 32,228,236	\$ 34,063,200	\$ 27,702,090	\$ 29,551,697	\$ 28,856,964	\$ 29,873,859	\$ 28,387,767	\$ 31,982,577	\$ 29,205,550
Excess of Revenues Over (Under) Expenditures	\$(47,380,639)	\$ (4,318,896)	\$ (6,461,229)	\$ 611,535	\$ (1,746,043)	\$ 52,308	\$ (1,637,817)	\$ (436,800)	\$ (4,565,294)	\$ (782,575)

(Continued)

Table 5

Bedford County, Tennessee
Changes in Fund Balances - Governmental Funds - Primary Government
Last Ten Fiscal Years (Cont.)
(modified accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Other Financing Sources (Uses)										
Transfers In	\$ 230,000	\$ 349,400	\$ 509,980	\$ 7,359,412	\$ 162,257	\$ 327,570	\$ 347,929	\$ 710,734	\$ 581,920	\$ 205,830
Transfers Out	(304,000)	(349,400)	(509,980)	(7,359,412)	0	(327,570)	(347,929)	(710,734)	(581,920)	(205,830)
Bond Proceeds	50,500,000	3,435,000	0	0	0	0	0	0	0	0
Note Proceeds	2,000,000	0	4,893,000	450,000	300,000	0	0	0	2,000,000	385,000
Insurance Recovery	0	0	0	135,398	0	0	0	0	97,533	0
Proceeds on Refunded Bonds	0	0	0	0	0	2,700,000	8,405,000	0	2,610,000	0
Payments to Refunded Bond Escrow Agent	0	(3,501,939)	0	0	0	(2,708,373)	(8,405,000)	0	0	0
Premiums on Bonds Sold	443,599	134,854	0	0	0	0	0	0	0	0
Sale of Nursing Home Capital Assets	0	0	0	0	0	0	3,000,000	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 52,869,599</u>	<u>\$ 67,915</u>	<u>\$ 4,893,000</u>	<u>\$ 585,398</u>	<u>\$ 462,257</u>	<u>\$ (8,373)</u>	<u>\$ 3,000,000</u>	<u>\$ 0</u>	<u>\$ 4,707,533</u>	<u>\$ 385,000</u>
Net Change in Fund Balances	<u>\$ 5,488,960</u>	<u>\$ (4,250,981)</u>	<u>\$ (1,568,229)</u>	<u>\$ 1,196,933</u>	<u>\$ (1,283,786)</u>	<u>\$ 43,935</u>	<u>\$ 1,362,183</u>	<u>\$ (436,800)</u>	<u>\$ 142,239</u>	<u>\$ (397,575)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.1%	26.0%	28.4%	31.7%	30.8%	30.1%	27.3%	25.8%	19.5%	23.3%
Capital Expenditures	\$ 5,549,795	\$ 4,456,562	\$ 2,488,541	\$ 782,381	\$ 1,602,588	\$ 1,073,924	\$ 1,231,563	\$ 1,924,834	\$ 2,443,200	\$ 2,653,014

General Governmental TAX Revenues by Source
Last Ten Fiscal Years (Cont.)
(modified accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Property Tax	\$ 9,316,418	\$ 9,756,204	\$ 9,635,803	\$ 9,803,618	\$ 9,544,367	\$ 10,159,124	\$ 10,541,068	\$ 10,282,564	\$ 10,308,173	\$ 10,495,204
Sales Tax	5,084,727	5,026,899	4,874,050	4,815,931	5,119,682	5,333,207	5,243,541	5,429,374	5,749,141	6,072,709
Litigation Tax	243,802	207,680	276,344	416,066	371,284	458,927	393,011	370,080	367,760	379,453
Business Tax	297,586	320,908	311,258	313,324	317,681	365,163	378,816	337,659	385,275	447,762
Mineral Severance	154,085	154,595	81,093	81,218	109,964	107,079	60,113	63,473	85,765	122,277
Development Tax	90,154	364,074	283,189	216,164	342,536	145,352	133,624	162,926	293,652	304,257
Wholesale Beer Tax	165,798	180,448	181,799	193,502	197,564	198,779	189,353	194,814	195,585	188,933
Bank Excise Tax	133,593	40,565	73,489	35,160	21,032	157,420	127,964	201,274	66,319	61,349
Other Statutory Tax	3,781	2,796	257,779	2,011	1,507	1,399	1,998	2,388	2,323	1,797
	<u>\$ 15,489,944</u>	<u>\$ 16,054,169</u>	<u>\$ 15,974,804</u>	<u>\$ 15,876,994</u>	<u>\$ 16,025,617</u>	<u>\$ 16,926,450</u>	<u>\$ 17,069,488</u>	<u>\$ 17,044,552</u>	<u>\$ 17,453,993</u>	<u>\$ 18,073,741</u>

Table 6

Bedford County, Tennessee
Discretely Presented Bedford County School Department
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Local Taxes	\$ 10,006,667	\$ 9,835,545	\$ 9,816,402	\$ 9,955,712	\$ 10,181,119	\$ 10,842,595	\$ 10,198,143	\$ 10,921,251	\$ 11,166,083	\$ 11,432,324
Licenses and Permits	2,241	2,268	2,693	5,994	2,274	2,813	2,248	2,574	2,407	2,507
Charges for Current Services	1,795,873	1,773,948	1,850,006	1,648,859	1,558,792	1,597,663	1,558,003	1,501,265	709,721	802,780
Investment Earnings	131,081	48,986	14,496	0	0	0	0	0	0	0
Other Local Revenues	90,317	80,885	176,867	134,793	436,815	316,421	266,941	121,181	192,693	102,091
State of Tennessee	28,619,676	33,868,492	34,631,558	35,170,368	36,409,178	37,718,020	37,636,177	42,084,781	41,854,959	44,111,599
Federal Government	5,456,658	5,349,681	6,071,191	8,762,111	10,324,685	9,352,411	9,412,841	9,245,991	9,906,228	9,368,511
Other Governments and Citizens Groups	47,886,090	0	4,693,000	0	0	0	68,174	0	0	0
Total Revenues	\$ 93,988,603	\$ 50,959,805	\$ 57,256,213	\$ 55,677,837	\$ 58,912,863	\$ 59,829,923	\$ 59,142,527	\$ 63,877,043	\$ 63,832,091	\$ 65,819,812
Expenditures										
Current:										
Instruction	\$ 27,648,288	\$ 30,247,351	\$ 31,633,770	\$ 34,373,220	\$ 36,400,761	\$ 36,425,159	\$ 36,833,683	\$ 37,284,617	\$ 35,395,486	\$ 35,682,540
Support Services	13,145,079	13,713,665	15,884,647	16,919,180	17,769,273	19,036,517	18,789,889	19,260,911	20,367,461	20,643,963
Operation of Non- instructional Services	3,349,192	4,005,947	3,895,651	3,817,509	4,227,544	4,739,742	5,018,453	5,307,802	5,478,410	5,735,155
Capital Outlay	490,529	542,722	721,148	889,597	345,621	363,957	505,462	516,949	489,186	639,121
Capital Projects	6,818,110	20,954,500	23,590,317	2,074,584	0	0	0	0	0	0
Debt Service	3,708	2,163	0	0	0	0	0	0	0	0
Total Expenditures	\$ 51,454,906	\$ 69,466,348	\$ 75,725,533	\$ 58,074,090	\$ 58,743,199	\$ 60,565,375	\$ 61,147,487	\$ 62,370,279	\$ 61,730,543	\$ 62,700,779
Excess of Revenues Over (Under) Expenditures										
	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)	\$ 1,506,764	\$ 2,101,548	\$ 3,119,033
Other Financing Sources (Uses)										
Transfers In	\$ 18,185	\$ 11,619	\$ 25,149	\$ 118,300	\$ 103,192	\$ 0	\$ 121,037	\$ 10,521	\$ 15,548	\$ 15,570
Transfers Out	(18,185)	(11,619)	(25,149)	(118,300)	(103,192)	0	(121,037)	(10,521)	(15,548)	(15,570)
Insurance Recovery	0	0	0	0	0	0	0	40,826	25,874	0
Total Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,826	\$ 25,874	\$ 0
Net Change in Fund Balances	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)	\$ 1,547,590	\$ 2,127,422	\$ 3,119,033

Table 7

Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ended	Property Tax ¹	Local Option Sales Tax ²	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecom- munications Tax	Other Statutory Local Taxes	Total
Primary Government:										
2007	\$ 9,099,054	\$ 5,084,727	\$ 230,095	\$ 297,586	\$ 154,085	\$ 165,798	\$ 133,593	\$ 3,781	\$ 321,225	\$ 15,489,944
2008	9,560,429	5,026,899	207,680	320,908	154,595	180,448	40,565	2,796	559,849	16,054,169
2009	9,635,803	4,874,050	276,344	311,258	81,093	181,799	73,489	2,324	538,644	15,974,804
2010	9,803,618	4,815,931	416,066	313,324	81,218	193,502	35,160	2,011	437,090	16,097,920
2011	9,544,367	5,119,682	371,284	317,681	109,964	197,564	21,032	1,471	974,634	16,657,679
2012	10,159,124	5,333,207	458,927	365,163	74,220	198,779	157,420	1,399	905,226	17,653,465
2013	10,541,068	5,243,541	393,011	378,816	60,113	189,353	127,964	1,998	862,082	17,797,946
2014	10,282,564	5,429,374	370,080	337,659	63,473	194,814	201,274	2,388	869,811	17,751,437
2015	10,308,173	5,749,141	367,760	385,275	85,765	195,585	66,319	2,323	1,036,889	18,197,230
2016	10,495,204	6,072,709	379,453	447,762	122,277	188,933	61,349	1,797	1,050,675	18,820,159
Component Unit:										
2007	\$ 7,936,370	\$ 1,889,046	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,330	\$ 174,921	\$ 10,006,667
2008	7,838,804	1,838,767	0	0	0	0	0	4,187	153,787	9,835,545
2009	7,832,689	1,795,056	0	0	0	0	0	5,029	183,628	9,816,402
2010	7,998,936	1,773,381	0	0	0	0	0	3,134	180,261	9,955,712
2011	7,788,150	1,874,206	0	0	0	0	0	2,435	516,328	10,181,119
2012	8,290,385	1,956,756	0	0	0	0	0	2,776	592,678	10,842,595
2013	7,718,464	1,942,675	0	0	0	0	0	3,842	533,162	10,198,143
2014	8,330,219	2,013,271	0	0	0	0	0	4,591	573,170	10,921,251
2015	8,416,471	2,122,059	0	0	0	0	0	4,466	623,087	11,166,083
2016	8,564,019	2,234,338	0	0	0	0	0	3,782	630,185	11,432,324

Table 8

Bedford County, Tennessee
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Year	Real Property Assessed			Tangible Personal Property Assessed Commercial and Industrial Property	Public Utility Property	Total Taxable Assessed Value (Inside City of Shelbyville)	Total Taxable Assessed Value (Outside City of Shelbyville)	Total Taxable Assessed Value	Assessed Value as a Percentage of Actual Value	Estimated Actual Taxable Value	Total Direct Tax Rate
		Residential Farm and Forest Property	Commercial and Industrial Property	Commercial and Industrial Property								
2007	2006	\$ 473,364,250	\$ 152,388,840	\$ 79,812,896	\$ 40,293,721	\$ 267,529,215	\$ 358,223,875	\$ 745,859,707	27.95%	2,668,811,186	\$ 2.27	
2008	2007	486,143,975	155,443,760	80,930,381	42,859,029	274,877,045	366,710,690	765,377,145	28.40%	2,694,715,806	2.27	
2009	2008	494,876,925	156,984,600	77,397,381	42,495,975	347,652,527	381,611,096	771,754,881	28.42%	2,715,534,416	2.27	
2010	2009	503,591,300	167,263,520	74,874,856	42,775,968	358,027,739	387,701,937	788,505,644	28.57%	2,759,881,341	2.27	
2011	2010	507,751,000	161,072,120	64,842,431	44,817,232	343,269,678	390,395,873	778,482,783	28.50%	2,731,324,772	2.27	
2012	2011	518,228,375	170,176,360	60,074,596	46,706,116	346,455,651	402,023,680	795,185,447	28.57%	2,783,539,733	2.27	
2013	2012	520,099,875	170,523,880	68,010,388	47,632,813	354,545,784	404,088,359	806,266,956	28.59%	2,820,036,348	2.27	
2014	2013	522,256,850	173,607,320	69,384,428	49,177,015	358,387,190	406,861,408	814,425,613	28.64%	2,843,785,871	2.27	
2015	2014	529,856,350	181,448,000	72,341,823	49,777,137	368,185,307	415,460,866	833,423,310	28.66%	2,908,079,796	2.27	
2016	2015	575,150,640	191,688,895	75,926,958	53,254,109	385,978,487	456,788,006	896,020,602	28.65%	3,127,497,836	2.27	

Source(s): Assessors' summary assessments and the Tennessee Comptroller of the Treasury - Division of Property Assessments.

Note(s): Exempt properties are not included in the assessed or estimated value. Tax rates are per \$100 of assessed value. A reappraisal was performed during the 2010 and 2015 tax years. Appraised to taxable values are based on the following table.

Assessment Ratio Table	
Category	Percentage of Appraised Value
Real Property:	
Public Utilities	55%
Commercial	40%
Industrial	40%
Residential	25%
Farm	25%
Agriculture	25%
Forest	25%
Mineral	40%
Personal Property:	
Public Utilities	55%
Commercial	30%
Industrial	30%

Table 9

Bedford County, Tennessee
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

<u>Fiscal Year Ended¹</u>	<u>Tax Year</u>	<u>General Fund</u>	<u>Highway Fund</u>	<u>General Purpose School Fund</u>	<u>General Debt Service Fund</u>	<u>Total² Direct Rate</u>	<u>City of Shelbyville Tennessee^{2,3}</u>	<u>City of Bell Buckle Tennessee^{2,3}</u>	<u>City of Normandy Tennessee^{2,3}</u>	<u>City of Wartrace Tennessee^{2,3}</u>	<u>Total Direct and Overlapping</u>
2007	2006	\$ 1.09	\$ 0.04	\$ 1.02	\$ 0.12	\$ 2.27	\$ 1.41	\$ 0.15	\$ 0.16	\$ 1.00	\$ 3.68
2008	2007	1.11	0.04	1.02	0.10	2.27	1.41	0.15	0.20	1.00	3.68
2009	2008	1.11	0.04	1.02	0.10	2.27	1.41	0.15	0.20	1.00	3.68
2010	2009	1.11	0.04	1.02	0.10	2.27	1.41	0.16	0.16	1.00	3.68
2011	2010 ⁴	1.11	0.04	1.02	0.10	2.27	1.41	0.16	0.20	1.00	3.68
2012	2011	1.11	0.04	1.02	0.10	2.27	1.65	0.16	0.20	1.15	3.92
2013	2012	1.11	0.04	0.96	0.16	2.27	1.65	0.25	0.20	1.32	3.92
2014	2013	1.11	0.04	1.02	0.10	2.27	1.65	0.25	0.20	1.30	3.92
2015	2014	1.11	0.04	1.02	0.10	2.27	1.65	0.30	0.20	1.40	3.92
2016	2015 ⁴	1.11	0.04	1.02	0.10	2.27	1.81	0.40	0.20	1.40	4.08

Source(s): Bedford County Commission's resolutions for tax levies by fiscal year and the City Recorder's Office.

Note(s):

¹ Taxes assessed in one fiscal year are for the benefit of the following fiscal year.

² Rates are applied per \$100 of assessed valuation.

³ The cities of Shelbyville, Bell Buckle, Normandy, and Wartrace are considered overlapping governments.

⁴ A reappraisal was performed during the 2010 and 2015 tax years.

Table 10

Bedford County, Tennessee
Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	Fiscal Year Ended 2016			Fiscal Year Ended 2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Calsonic Manufacturing	\$ 24,414,095	1	2.9%	\$ 39,820,800	1
Duck River Electric Membership	20,306,337	2	2.4%	14,726,739	3	2.0%
Walmart Stores East	12,568,083	3	1.5%	9,963,725	4	1.3%
Tyson Foods	8,848,822	4	1.1%	9,660,527	5	1.3%
Sanford Corporation	8,718,838	5	1.0%	15,092,792	2	2.0%
Twist Beauty Packaging	8,481,542	6	1.0%	7,600,777	7	1.0%
The Health EDU & Housing Facility	8,209,080	7	1.0%	-	-	-
Bemis	5,961,701	8	0.7%	7,969,064	6	1.1%
SMW Automotive	5,524,453	9	0.7%	-	-	-
CSX Transportation	4,956,565	10	0.6%	-	-	-
United Telephone	-	-	-	4,174,859	10	0.6%
Bellsouth Telecommunications	-	-	-	6,295,753	8	0.8%
Lowes Home Centers	-	-	-	3,306,146	9	0.4%
Totals	<u>\$ 107,989,516</u>		<u>13.0%</u>	<u>\$ 118,611,182</u>		<u>15.9%</u>

Source: Trustee's Tax Rolls.

Table 11

Bedford County, Tennessee
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Year	Adjusted Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	\$ 17,057,638	\$ 15,934,087	93.41%	\$ 931,074	\$ 16,865,161	98.87%
2008	2007	17,447,935	16,317,276	93.52%	644,651	16,961,927	97.21%
2009	2008	17,572,956	16,406,187	93.36%	547,679	16,953,865	96.48%
2010	2009	17,821,783	16,616,967	93.24%	457,646	17,087,288	95.88%
2011	2010	17,637,729	16,199,443	91.85%	537,832	16,737,275	94.89%
2012	2011	18,044,364	16,637,710	92.20%	431,626	17,069,336	94.60%
2013	2012	18,237,900	17,040,915	93.44%	476,632	17,517,547	96.05%
2014	2013	18,467,741	17,344,682	93.92%	358,666	17,703,348	95.86%
2015	2014	18,604,967	17,603,674	94.62%	288,353	17,892,028	96.17%
2016	2015	19,036,967	18,159,672	95.39%	214,251	18,373,923	96.52%

Source(s): Trustee's tax rolls, trustee's tax collection records, and clerk and master's tax collections records.

Note(s): Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalties the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Table 12

Bedford County, Tennessee
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Rural School Bonds	Capital Outlay Notes	Other Loans Payable			
2007	\$ 10,425,000	\$ 65,880,000	\$ 4,645,482	\$ 5,856,000	\$ 86,806,482	6.83%	\$ 1,970
2008	6,275,000	68,035,000	3,388,791	5,046,000	82,744,791	6.27%	1,838
2009	6,040,000	65,350,000	6,505,405	4,194,000	82,089,405	6.18%	1,805
2010	5,800,000	62,585,000	5,153,163	3,759,000	77,297,163	5.92%	1,698
2011	5,550,000	59,715,000	3,518,498	3,301,000	72,084,498	8.86%	1,600
2012	5,290,000	56,745,000	1,780,200	2,819,000	66,634,200	7.93%	1,464
2013	5,020,000	53,665,000	471,600	2,311,000	61,467,600	7.17%	1,349
2014	4,745,000	50,470,000	0	1,777,000	56,992,000	6.45%	1,242
2015	4,455,000	47,810,000	2,000,000	1,215,000	55,480,000	6.16%	1,190
2016	4,155,000	45,040,000	1,985,000	623,000	51,803,000	5.76%	1,098

Note(s):

¹ Details regarding the county's outstanding debt can be found in the notes to the financial statements.

² See the Schedule of Demographic and Economic Statistics, Table 17, for personal income and population data.

Table 13

Bedford County, Tennessee
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Rural School Bonds	Total Bonded Debt¹	Less: Amounts Available in General Debt Service Fund²	Total	Percentage of Estimated Actual Taxable Value of Property³	Per Capita⁴
2007	\$ 10,425,000	\$ 65,880,000	\$ 76,305,000	\$ 4,485,627	\$ 71,819,373	2.69%	\$ 1,630
2008	6,275,000	68,035,000	74,310,000	6,076,445	68,233,555	2.53%	1,515
2009	6,040,000	65,350,000	71,390,000	4,963,594	66,426,406	2.45%	1,461
2010	5,800,000	62,585,000	68,385,000	4,745,230	63,639,770	2.31%	1,399
2011	5,550,000	59,715,000	65,265,000	3,595,256	61,669,744	2.26%	1,369
2012	5,290,000	56,745,000	62,035,000	2,586,588	59,448,412	2.14%	1,306
2013	5,020,000	53,665,000	58,685,000	2,359,440	56,325,560	2.00%	1,236
2014	4,745,000	50,470,000	55,215,000	2,457,620	52,757,380	1.86%	1,149
2015	4,455,000	47,810,000	52,265,000	3,535,740	48,729,260	1.68%	1,045
2016	4,155,000	45,040,000	49,195,000	4,575,064	44,619,936	1.43%	946

Source(s): Debt amortization schedules.

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

¹ This is the general bonded debt of governmental activities, net of original issuance discounts and premiums.

² This is the amount committed for debt service principal payments.

³ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 8 for property value data.

⁴ Population data can be found in the Schedule of Demographic and Economic Statistics on Table 17.

Table 14

Bedford County, Tennessee
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds and Notes
As of June 30, 2016

		% of Estimated Property Value	% of Assessed Property Value
<u>Direct Debt</u>			
General Bonded Debt	\$ 49,195,000	1.57%	5.49%
Capital Outlay Notes	1,985,000		
Other Loans Payable	<u>623,000</u>		
Total Direct Debt	\$ 51,803,000	1.66%	5.78%
<u>Overlapping Debt</u>			
City of Shelbyville	\$ 4,398,793	0.14%	0.49%
City of Bell Buckle	1,569,461	0.05%	0.18%
City of Wartrace	1,800,537	0.06%	0.20%
Total Overlapping Debt	<u>7,768,791</u>		
Total Direct and Overlapping Debt	<u>\$ 59,571,791</u>	1.90%	6.65%

Source: City Recorders, Tables 8, 12.

Note(s): Overlapping governments are those that are within the geographic boundaries of the county. This schedule presents outstanding debt of those overlapping governments that are within Bedford County. When considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. The amount of the county's debt overlapping with a city is estimated based on that city's percentage of property tax assessment.

Assessed Value \$ 896,020,602

Estimated Value 3,127,497,836

Table 15

Bedford County, Tennessee
Legal Debt Margin Information
Last Ten Fiscal Years

Not Applicable to Bedford County, Tennessee

Table 16

Bedford County, Tennessee
Pledged-Revenue Coverage
Last Ten Fiscal Years

Not Applicable to Bedford County, Tennessee

Table 17

Bedford County, Tennessee
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population^{1, 5}	Personal Income (amounts expressed in thousands)^{1, 5}	Per Capita Personal Income^{1, 5}	Median Age^{2, 5}	Bedford County School Enrollment³	Annual Unemployment Rate^{4, 5}
2007	44,062	\$ 1,271,738	\$ 28,862	34.9	7,612	4.9%
2008	45,031	1,319,630	29,305	34.9	7,721	6.0
2009	45,480	1,328,881	29,219	35.0	7,746	6.6
2010	45,526	1,306,750	28,703	35.2	7,866	12.3
2011	45,058	813,793	18,061	35.0	7,817	11.9
2012	45,509	840,597	18,471	35.1	7,966	10.4
2013	45,573	857,365	18,813	37.0	8,103	9.3
2014	45,901	883,365	19,245	37.2	8,212	7.5
2015	46,627	900,041	19,303	37.2	8,336	7.5
2016	47,183	936,818	19,855	37.2	8,438	5.5

Source(s): Bureau of Economic Analysis, Regional Economic Accounts, U.S. Bureau of the Census, Tennessee Department of Education, and Tennessee Department of Labor and Workforce Development.

¹⁾ Amounts were provided by the Bureau of Economic Analysis: Regional Economic Accounts. Per capita personal income was provided by 2010 U.S. Census data. Personal income amounts for 2011-16 were calculated by multiplying population by per capita income.

²⁾ Fiscal years 2006 and 2012 were calculated by taking a three-year average change of the three previous years. Amounts for fiscal years 2007-11 and 2013-16 are U.S. Census Bureau estimates.

³⁾ Enrollment amounts represent the weighted full-time equivalent of average daily attendance.

⁴⁾ Unemployment data was provided by the U.S. Department of Labor, Bureau of Labor Statistics.

⁵⁾ Amounts are presented on a calendar year basis for the fiscal year in which the calendar year ended.

Table 18

Bedford County, Tennessee
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u> ³	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u> ¹	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u> ²
Tyson Foods	1,323	1	7.20%	1,200	1	6.63%
Calsonic North America	1,302	2	7.08%	1,000	2	5.53%
Sanford Distribution	800	3	4.35%	900	3	4.97%
National Pen Corp.	500	4	2.72%	500	5	2.76%
Wal-Mart Distribution Center	470	5	2.56%	425	6	2.35%
Jostens, Inc.	375	6	2.04%	590	4	3.26%
Albea (Pechiney, Alcan, American Can)	350	7	1.90%	300	7	1.66%
Chassix	164	8	0.89%	-	-	-
Century Mold Co., Inc.	160	9	0.87%	135	10	0.75%
Corsicana Bedding, Inc.	135	10	0.73%	192	9	1.06%
Bemis	-	-	-	225	8	1.24%
Total	<u>5,579</u>		<u>30.35%</u>	<u>5,467</u>		<u>30.21%</u>

Source(s): Tennessee Department of Economic and Community Development, Middle Tennessee Industrial Development Association.

Note(s):

¹ Percentage is based on March 2016 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

² Percentage is based on June 2007 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

³ Employer information does not include local governments' employees.

Table 19

Bedford County, Tennessee
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function:										
General Government	194	194	205	173	76	72	75	76	77	79
Finance	8	8	10	10	10	9	9	9	9	9
Justice	19	24	34	29	34	33	33	33	34	36
Public Safety	110	110	108	134	129	130	134	134	137	135
Health and Welfare	20	18	10	12	15	14	13	13	26	26
Agriculture	1	1	1	1	1	1	1	1	1	1
Other	0	0	0	0	1	1	1	1	1	1
Road and Bridge	40	38	27	26	26	26	26	26	25	25
Total	392	393	395	385	292	286	292	293	310	312
Component Unit:										
Education	945	961	972	1,060	1,096	1,199	1,169	1,134	1,111	1,031

Source: Bedford County Finance Department

Table 20

Bedford County, Tennessee
Operating Indicators by Function
Last Ten Fiscal Years

Function	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>General Government</u>										
Registered voters	21,069	23,238	23,124	23,824	23,461	24,264	23,704	24,090	23,223	20,553
Building permits issued										
Single family homes	169	135	78	74	42	58	56	85	85	109
All other permits	158	137	201	172	343	383	68	68	112	139
<u>Public Safety</u>										
Physical arrests	1,641	1,776	569	3,151	3,298	9,726	6,465	2,165	1,565	3,758
Traffic citations	2,008	2,092	2,003	412	1,016	2,122	n/a	n/a	386	884
Warrants served	10,418	10,716	13,458	13,732	10,542	11,827	10,879	9,737	10,343	10,803
Summary of inmate days:										
Felons-convicted	20,452	23,660	28,467	22,848	22,898	45,740	34,931	13,682	18,832	24,146
Misdemeanant-convicted	53,653	62,069	26,317	24,681	9,447	35,834	32,270	8,316	26,378	21,059
Pretrial	242	280	22,866	23,552	23,472	1,315	5,173	20,432	24,530	58,507
Other	113	130	422	319	129	4,920	5,545	1,057	418	1,320
Total inmate days	74,460	86,139	78,072	71,400	55,946	87,809	77,919	43,487	70,158	105,032
Other daily inmate information										
Average daily population	204	236	243	195	250	231	211	175	182	338
Daily inmate capacity of facility	217	217	217	216	206	206	206	206	213	213
<u>Public Health</u>										
Ambulance - call volume	4,810	5,418	5,135	4,818	5,206	5,465	6,050	6,687	6,928	7,010
Response time - average minutes	11	11	10	10	11	11	11	11	7	8
Animal control										
Requests for service	796	1,494	922	998	733	283	864	927	747	580
Animals impounded	1,701	1,977	1,615	1,515	1,192	929	1,246	1,250	1,320	763
Animals adopted	171	266	211	696	692	465	908	1,012	1,038	618

(Continued)

Table 20

Bedford County, Tennessee
Operating Indicators by Function (Cont.)

Function (Cont.)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Road and Bridge</u>										
Street resurfaced (miles)	35	20	11	9	12	10	13	15	28	32
<u>Sanitation</u>										
Solid Waste Department										
Refuse collected (in tons)	11,400	11,448	11,115	10,932	10,579	10,179	10,045	9,899	9,711	10,495
Recyclables collected (in tons)										
Paper	121	126	116	92	235	249	302	280	249	279
Batteries	7	6	5	4	1	1	1	1	0	0
Metals	365	397	498	412	301	190	250	288	249	297
Tires	680	675	679	701	676	413	394	499	451	483
Used oil (gallons)	85	80	4,604	5,472	8,100	9,705	4,855	10,590	5,048	8,950
Component Unit:										
Bedford County School Department										
Weighted Full-time Equivalent Average										
Daily Attendance	8,352	8,517	8,628	7,521	7,400	7,599	7,730	7,837	7,956	8,021
Number Graduated	458	478	505	532	455	522	505	500	491	526

n/a = Information is not available for this time period.

Sources: Election Commission, Building Codes, Sheriff's Department, Ambulance Department, County Animal Control, Highway Department, and Solid Waste Department.

Table 21

Bedford County, Tennessee
Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Highways and Streets										
Number of Miles	678	679	683	683	683	683	683	683	683	685
Number of Bridges	191	191	191	191	188	188	188	188	188	188
Public Safety										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Health and Welfare										
Nursing Home	1	1	1	1	0	0	0	0	0	0
Number of Beds	90	90	90	90	0	0	0	0	0	0
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	4	4	4	4	5	5	5	5	5	5
Number of Ambulance Units	8	8	8	8	6	8	8	8	8	8
Sanitation/Solid Waste Department										
Number of Trucks	4	4	4	4	4	4	4	4	4	4
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
<u>Facilities and Services Not Included in the Primary Government</u>										
Education:										
Form of Administration										
Number of Schools										
Elementary Schools	7	7	7	7	8	8	8	8	8	8
Middle Schools	1	1	1	1	2	3	3	3	3	3
High Schools	3	3	3	3	3	3	3	3	3	3
Alternative School	1	1	1	1	1	1	1	1	1	1

Sources: Bedford County Highway Department, Sheriff's Department, Ambulance Department, Solid Waste Department, Board of Education.

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Bedford County Mayor and
Board of County Commissioners
Bedford County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements, and have issued our report thereon dated October 6, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bedford County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bedford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Bedford County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that might be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

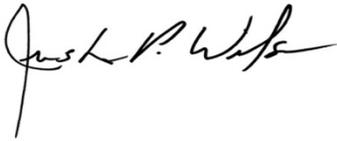
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bedford County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bedford County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 6, 2016

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Bedford County Mayor and
Board of County Commissioners
Bedford County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Bedford County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bedford County's major federal programs for the year ended June 30, 2016. Bedford County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bedford County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether

noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bedford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Bedford County's compliance.

Opinion on Each Major Federal Program

In our opinion, Bedford County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Bedford County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bedford County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bedford County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

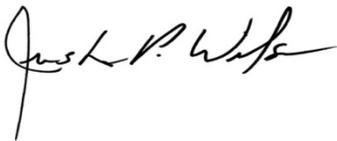
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements. We issued our report thereon dated October 6, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 6, 2016

JPW/sb

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year-Ended June 30, 2016

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(3)	\$ 940,584
National School Lunch Program	10.555	(3)	3,115,450 (4)
Fresh Fruit and Vegetable Program	10.582	(3)	73,132
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	267,240 (4)
Passed-through State Department of Human Services:			
Summer Food Service Program	10.559	(3)	11,174
Total U.S. Department of Agriculture			<u>\$ 4,407,580</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(3)	\$ 18,709
Interagency Hazardous Materials Public Sector Training and Planning Grant	20.703	(3)	7,200
Total U.S. Department of Transportation			<u>\$ 25,909</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 69,978
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(3)	241,402
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,991,768
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,663,814
Special Education - Preschool Grants	84.173	N/A	46,808
Career and Technical Education - Basic Grants to States	84.048	N/A	124,898
Education for Homeless Children and Youth	84.196	N/A	33,200
Rural Education	84.358	N/A	124,688
English Language Acquisition State Grants	84.365	N/A	84,142
Mathematics and Science Partnerships	84.366	N/A	374,722
Improving Teacher Quality State Grants	84.367	N/A	192,029
Total U.S. Department of Education			<u>\$ 4,947,449</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	46227-19612	\$ 113,766
Emergency Management Performance Grants	97.042	47551-19486	45,850
Homeland Security Grant Program	97.067	34101-21615	17,590
Total U.S. Department of Homeland Security			<u>\$ 177,206</u>
Total Expenditures of Federal Awards			<u>\$ 9,558,144</u>

(Continued)

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
		<u>Contract Number</u>	
Litter Program - State Department of Transportation	N/A	(3)	\$ 43,300
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29451-00	9,000
Lottery for Education - After-school Programs - State Department of Education	N/A	(3)	312,841
Adult Education - State Department of Labor and Workforce Development	N/A	(3)	80,468
ConnectTN - State Department of Education	N/A	(3)	22,482
Rural Local Health Services - State Department of Health	N/A	(3)	395,458
Pilot - Lottery for Pre-K Classrooms - State Department of Education	N/A	(3)	460,610
Safe Schools Act 2003 - State Department of Education	N/A	(3)	33,100
Student Ticket Subsidy Grant - State Arts Commission	N/A	(3)	3,519
Disaster Grants - Public Assistance - State Department of Military Public Health-Partnering to Promote Primary Prevention with Minority Communities - State Department of Health	N/A	(3)	2,328
Coordinated School Health Initiative - State Department of Education	N/A	(3)	<u>71,125</u>
Total State Grants			<u>\$ 1,445,380</u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Bedford County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Total for CFDA No. 10.555 is \$3,382,690.

Bedford County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2016

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Comprehensive Annual Financial Report for Bedford County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF COUNTY MAYOR

2015	222	2015-001	The Offices of Zoning and Building Inspections and Probation had Deficiencies in Computer System Backup Procedures	N/A	Corrected
2015	223	2015-002	The Receipting Software Used by the Office of Zoning and Building Inspections did not have Adequate Application Controls	N/A	Corrected

OFFICE OF DIRECTOR OF SCHOOLS

2015	223-224	2015-003	Computer System Backups were not Regularly Stored Off-site	N/A	Corrected
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Prior-year Federal Award Findings

There were no prior-year federal award findings to report.

BEDFORD COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Bedford County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NO**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553, 10.555, and 10.559 Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings and recommendations, as a result of our audit of the financial statements of Bedford County, Tennessee.

Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

Bedford County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2016

The audit of Bedford County did not report any findings and recommendations. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).